



# REGULATORY ALERT

## *Petition 19-E-0735: Home Rule to Become Utility Rule*

Joule is sending out this urgent regulatory alert in response to a state agency, NYSERDA, and an investor-owned utility, National Grid, recent petition submission, 19-E-0735, which, if accepted, will effectively replace municipal action with utility intervention, disabling a local authority central to Community Choice Aggregation (CCA) and community renewables.<sup>1</sup>

While the petition's intent is to increase the number of low-to-moderate income (LMI) customers benefitting from New York's Climate Leadership and Community Protection Act, the petition as proposed, creates a serious threat to municipal authority and will atrophy local municipal plans of action to benefit low-to-moderate income LMI residents and hold the potential to delay successful achievement of state clean energy objectives. Below is a short description of the petition and of the rationale for its projected impact, along with critical calls to action.

### **Summary of Petition 19-E-0735:**

NYSERDA and National Grid have filed petition 19-E-0735 that requests National Grid and all other investor-owned utilities be granted authority to allocate substantially all of the state's community solar resources to low- to-moderate income customers. The proposal would start in National Grid's territory, which includes the Capital Region, Western and Eastern New York, and North County, the amount of solar proposed for utility allocation is 600 MW, which is roughly equivalent to all the viable community solar scheduled to be built.

**Undermining Local Decision-Making from Municipalities:** Under this proposed structure, low-to-moderate income customers will automatically be moved onto community solar projects in National Grid's territory under an opt-out provision. This will allow the utility to take the place of the municipal leadership in serving low-to-moderate income residents. This in turn would leave no available community solar supply for municipalities who want to purchase it for their communities. In the place of the 10% reduction on solar credits currently provided to all residents participating in community solar through CCA, the low-to-moderate income residents would receive monthly \$10 discount off their electricity bill. The cost of the \$10 monthly bill reduction would be partially covered through solar credits; any delta will come from a limited pot of appropriated money by NYSERDA, currently funding other programs.

**Ineffective Results:** NYSERDA intends this sacrifice to support low-income residents, without taking into consideration of the success of CCAs. Municipal leaders around NY are already empowered by CCA, a proven highly successful model that allows local leaders that deeply understand their own communities to serve their low-to-moderate income residents. This petition, as structured, would create **less** total impact for low-to-moderate income residents than approaches driven by municipal leaders. Using the CCA framework, local leaders can direct credits to neighborhoods in need as part of a comprehensive plan. In contrast, National

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<sup>1</sup> <sup>[1]</sup> <http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=19-E-0735&CaseSearch=Search>



Grid will move low-to-moderate income residents in a geographically scattered manner as projects become available, without a dedicated education effort and without direct engagement.

**Local Leaders are Already Serving the LMI community:** While the aim of the petition is well-intentioned, in practice, fewer low-to-moderate income residents are likely to eventually benefit than can currently **already** be served through CCA today. Local leadership and community driven action cannot be effectively replaced. As of June 2021, 148 municipalities have passed local regulation to enable CCA in New York. This represents approximately 3.2 million residents, of which 649,000 are moderate-income and 616,000 are low-income, a total of 1.2 million low-to-moderate income residents in all. In addition to providing renewable energy, LMI customers are benefiting from stronger consumer protections and hundreds of thousands of hours of grassroots public outreach and education.

The petition would prevent municipalities from creating locally tailored efforts, such as moving neighborhoods that include HEAP customers onto solar projects through one seamless and convenient onboarding process that is supplemented by local education that feeds good decisions. In addition, community-based CCA programs provide a basis for structuring other initiatives tailored to local needs, something a utility-driven approach will lack. Indeed, the petition would put NYSEDA and National Grid in direct competition with communities looking to access benefits from local projects, including those being built within their communities.

**Unintentional Centralization of Access to Solar Resources:** The State recently streamlined the siting of large-scale solar, which itself limited local autonomy. The intent was to quicken the pace and scale of new renewable construction. Giving investor-owned utilities additional control of the distribution of the benefits of community solar sites will ensure that municipalities currently leading the way toward increased solar construction by distributing credits in their communities, will no longer have adequate access to the credits, going forward.

**Contrary to Goals of New York State:** This petition will supersede the current truth that the Governor, NYSEDA, and the Public Service Commission have strongly encouraged local municipal action through Community Choice Aggregation home rule authority and through the seminal Reforming the Energy Vision approach. This petition undervalues the courageous efforts of municipal leaders and their successful implementation of CCA Programs for approximately 1 million residents across New York State. It therefore contradicts and undermines the policies and regulatory trajectory of the state itself and should not be supported.

### **Call to Action:**

Given the above we are requesting municipal partners to reject the proposal by submitting a letter to Public Service Commission by Friday, **July 30<sup>th</sup>**.