

**CORE**DEVELOPMENT  
GROUPCOMMERCIAL SOLAR  
INCENTIVES IN...

## New York



**New York  
is a solar energy  
leader in the  
United States**

Incentives can  
translate into  
significant savings  
for commercial solar  
installations

### **New York State has an ambitious solar program with policies to promote commercial solar investment.**

Currently, New York utilizes remote crediting to earn value with solar through behind the meter solar installations that share bill credits with offtakers within the same local distribution area. Given New York State's high cost of electricity with respect to other states, the remote crediting program is particularly valuable to businesses. In addition to New York's electric utility incentives for solar there are also federal incentives.

### **The Value Stack**

The New York State Public Service Commission (PSC) established the Value of Distributed Energy Resources (VDER) or the Value Stack — a mechanism to compensate for energy created by distributed energy resources (DERs), like solar. The Value Stack compensates projects based on when and where they provide electricity to the grid and compensation is in the form of bill credits. Commercial solar installations in New York State are compensated for their solar generation. Based on variety of factors (location, demand reduction, system size and environmental benefits) every kilowatt hour of production is fed onto the grid and businesses receive a monetary credit to reduce their monthly electric costs.

### **The Value Stack Tariff**

The Value Stack Tariff rate is structured to be less than the retail rate of electricity. Currently, the Value Stack Tariff is used by large-scale industrial and commercial solar installations. Every month the utility will transfer a credit equal to the VDER rate multiplied by the number of kilowatt-hours produced by the customer's solar array. The customer will then be billed by the solar company for a percentage of the value of the credit they receive. The VDER rate can fluctuate by 1-2 cents depending on the utility territory. Annual savings for the customer is based on the VDER rate percentage and the annual solar generation (measured in kilowatt hours) of the solar installation.

For example:

$$\mathbf{10\% \text{ of VDER rate} * KWh \text{ Annually} = \text{Annual Savings}}$$

Most importantly, customers should understand that this is a monetary credit on their bill which is applied to their consolidated utility bill. This allows customers to take on other forms of supply agreements and potentially find additional savings.

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### COMMUNITY SOLAR ENERGY PROGRAM

Through New York's Community Distributed Generation (CDG) program, also referred to as community solar, residents and businesses can subscribe to receive bill credits virtually from a solar installation within their local utility service territory. Community solar benefits consumers that may be otherwise excluded from the solar market (renters, shaded property, lack of roof control). Subscribers to community solar programs benefit with annual savings on their utility bills.

Property owners can sell or lease their property to solar developers who install and maintain the community solar farms anywhere in New York, regardless of the area's previous function.

**100% FIRST  
YEAR BONUS  
DEPRECIATION****OR****5-YEAR MACRS  
SCHEDULE**

### MODIFIED ACCELERATED COST-RECOVERY SYSTEM (MACRS) - 100% DEPRECIATION

The Modified Accelerated Cost Recovery System is a method of depreciation that allows businesses to recover some of the costs associated with commercial solar panel installation through annual tax deductions. MACRS can help reduce the payback period for commercial solar by allowing businesses to choose either a 100%, first-year "bonus" depreciation, or a 5-year MACRS schedule. With MACRS, businesses can start profiting off solar panel investments sooner.



### NY-SUN COMMERCIAL AND INDUSTRIAL INCENTIVE PROGRAM

NYSERDA offers performance-based incentives for the installation of new grid-connected solar electric systems based on size criteria that offset the use of grid-supplied electricity. Solar electric systems must be sized primarily to serve project load. The incentives are based on Megawatt (MW) Block designs that allocate incremental MW targets to certain regions within New York State. The incentives decrease over time for each target region until they are no longer offered there. Additional incentives are available for strategic locations, systems with integrated energy storage, parking canopy solar, community solar, landfills/brownfields, and solar projects with comprehensive energy efficiency.

### ADDITIONAL INCENTIVES

**Local Law 92 + 94 Adherence Planning** — These local laws require that any projects involving structural changes to new or existing roof decks must include the installation of solar photovoltaics or a green roof across all available roof space.

**Local Law 97 Carbon Offset Planning** — This law aims to place carbon caps on most buildings larger than 25,000 square feet—roughly 50,000 residential and commercial properties across NYC. Beginning in 2024, the law will be enforced through fines based on emissions levels per building.

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