**COMMENTS OF THE SOLAR ALLIANCE**
**ON THE INTERIM REPORT PRESENTED BY**
**THE NEW YORK STATE ENERGY PLANNING BOARD**

**MAY 15, 2009**

The Solar Alliance, an association of thirty of the world's leading solar photovoltaic manufacturers, developers and financiers dedicated to the establishment of vibrant state-based solar markets, appreciates the opportunity to submit these comments on the Interim Report presented by the interagency Coordinating Working Group charged with the development of the 2009 New York State Energy Plan.

In general, The Solar Alliance believes the Interim Report accurately and properly assesses the gravest energy challenges facing New York State in the years and decades ahead. These challenges are all, to a significant degree, associated with the state's current reliance on an increasingly outmoded central generation paradigm and an over-dependence upon imported fossil fuels for the generation of electricity, transport and building energy uses. New York State's annual expenditure on primary fuels, peaking at $32 billion in 2007, is symptomatic of the state's slow transition away from its embedded energy infrastructure, and is a stark reminder of the perennial outflow of dollars and jobs to other more resource-rich regions of the country and the globe.

Further, The Solar Alliance strongly supports the Interim Report's bold pronouncement "to meet these challenges through the development and build-out of its clean energy industries." [Interim Report at 2-1] As reflected in the table below, greater utilization of clean energy alternatives, and solar energy more specifically, can serve the broad range of economic and environmental interests enunciated in the Interim Report.

| | **Preliminary Findings** | **PV Contribution to SEP Preliminary Findings** |
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| #1. | The State's clean energy sector is built on a foundation of investments in energy efficiency and renewable energy. The growth of this sector will expand economic development opportunities across many industries and regions in New York. Clean energy investments create local jobs, reduce the outflow of dollars to pay for energy imports and make the State more energy independent and secure. | Each MW of solar PV installed creates dozens of high quality, high paying jobs throughout the PV value chain, including many jobs that are inherently local in nature. |
| #2 | The growing dangers posed by climate change suggest the need to adopt additional carbon reduction strategies over | Through a sustained and well-conceived public policy response, solar PV can achieve cost parity with conventional |

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| | the planning horizon. | generation in NY within the next decade. Cost parity is an important element in quickly driving the necessary transition from our nation's entrenched fossil fuel electric generation system, to a low-carbon electric system served by renewables and energy efficiency. |
| #3 | Demand for natural gas is expected to grow over the planning period. New infrastructure may be needed to support this growth in demand to ensure adequate and reasonably priced supplies. | PV can reduce demand for conventional generation during peak and shoulder periods, allowing for the more efficient utilization of existing gas delivery infrastructure, and mitigating price spikes and the risk of supply interruption. |
| #5 | The modernization and expansion of the bulk electricity transmission grid within and beyond the State's borders, with emphasis on Smart Grid technologies, will be an important means to fully optimize cleaner generation resources and provide the ability to manage energy systems with greater efficiency. | Distributed PV can enhance reliability, is more readily located within areas of pervasive congestion, and should be an integral part of a future Smart Grid for NYS. |
| #6 | The New York Power Authority (NYPA) is a valuable State asset which may provide even greater value through a restructuring of the Authority's economic development programs. | NYPA is ideally situated to play an expanded role in facilitating the development of customer-sited PV for its network of municipal and economic development clients, as well as supporting the development of larger grid-connected wholesale generation projects across the state. |
| #7 | New York has made considerable progress in reducing environmental impacts and health risks associated with energy production and use, and further emission reductions across all sectors of the economy will likely be necessary over the planning horizon. | Solar PV is a non-emitting resource capable of meeting a greater share of New York's electric power needs without the pernicious effects on human health and wildlife associated with conventional forms of power generation. |
| #8 | The State continues to identify policies and strategies to make systematic progress in addressing energy-related concerns of Environmental Justice communities. | Solar PV can be part of an overall strategy to green communities that have shouldered a disproportionate environmental burden, while providing important vocational opportunities. |
| #9 | New York may progress toward a number of its critical energy, economic, and environmental objectives through strategic inter-state and intra-state regional collaboration efforts. | New York should build on the success of RGGI by assuming a leadership role in harmonizing the PV incentive programs offered by states throughout the Northeast region. |

However, the Interim Report offers only hints at how this Energy Planning Board may translate this vision of a clean energy future into concrete policies and actions over the ten-year planning horizon. For example, reference is made to the Governor's most recent State of the State address, proposing to increase the existing Renewable Portfolio Standard (RPS) and combine it with the "15 x 15" efficiency portfolio standard under an integrated "45 x15" platform. [Interim Report at 2-2]. Similarly, under the banner of expanding the state's clean energy sector, the Interim Report suggests that public policy be directed to "ensur[ing] that policies and programs that generate demand for new energy efficiency and renewable energy products and services are secure and robust." [Id. at 4-1] While The Solar Alliance is encouraged by these suggestions, neither is fleshed out in any detail and it will be incumbent upon the Energy Planning Board to offer more specific guidance and direction to state agencies responsible for executing the state's strategic vision.

The RPS, in particular, is at a critical crossroads, with funding for both the Main Tier and Customer Sited Tier resources having been virtually exhausted and the PSC poised to undertake a mid-course review of progress to date and future direction of this essential program. It will be vital for the PSC to place its imminent decisions on the future direction of the RPS in the broader context of, and ensure the greatest possible consistency with, overarching state energy policy.

Unfortunately, the limited discussion of renewable energy resources in the Interim Report focuses exclusively on the siting and transmission challenges confronting large-scale wind development; only passing reference is made to solar PV. While The Solar Alliance is cognizant of the broad-brush nature of the Interim Report, and the risk of reading too much into the lack of a more focused discussion of solar PV, we are nevertheless concerned that the considerable opportunities and challenges of establishing a more vibrant state-based solar market be more thoroughly examined in the final State Energy Plan.

Towards that end, The Solar Alliance reiterates its call for the Energy Planning Board to assess the costs and benefits of a 2000 Mw solar PV deployment over the 2009-2018 planning horizon.[1] Consistent with the stated objectives of the 2009 Energy Plan, as evinced in the Interim Report, this assessment should take into account the multiple energy, economic and environmental benefit streams provided by this clean, stable-priced, indigenous and abundant resource. A systematic and comprehensive analysis of these benefits should be conducted including, but not be limited to, the following: 1)

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[1]The 2000 MW target from an industry roadmapping process undertaken in the Spring of 2007 and involving a collaboration of New York State solar power industry manufacturers, engineers, installers, researchers, and policy analysts. The 2000 MW target is is comparable to targets set in other leading solar states such as New Jersey, California, and Maryland. *See* New York's Solar Roadmap, SUNY-Albany, May 2007.

job creation potential and other macroeconomic impacts; 2) avoidance of peak energy purchases and capacity costs; 3) hedge protection against the risk of future increases and volatility in fossil fuel and electricity costs; 4) mitigation of greenhouse gases and other criteria pollutants and resulting public health and ecosystem benefits; 5) transmission- and distribution-related benefits (such as the avoided risk of brownouts and blackouts, deferral or downsizing of traditional wires solutions, avoidance of line losses, siting and permitting advantages, etc.).[2]

Similarly, as the Energy Planning Board considers the potential contribution of solar PV to the overall state energy mix, it will be imperative to consider the rapid pace and widespread diffusion of technology innovations and the resulting impact on PV prices over the planning horizon. As the Solar Alliance includes within its membership the leading solar manufacturers and developers responsible for these continuing advancements, we stand ready to serve as an informational resource to the State Energy Planning Board in its ongoing analysis and deliberations.

Thank you for allowing us the opportunity to comment on this important matter.

Submitted by,

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On Behalf of:
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[2] It is our understanding that the New York State Energy Research and Development Authority has commissioned a study to document and quantify these value streams. The Solar Alliance urges the State Energy Planning Board to consider and incorporate the results of this study in the Draft State Energy Plan.