Testimony of New York Solar Energy Industries Association
Before the Joint Legislative Budget Hearing on Energy and Environmental Conservation
Regarding the FY 2027 Executive Budget

January 28, 2026

Chairpersons, Ranking Members, and Members of the Committee,

New York Solar Energy Industries Association (NYSEIA) is grateful for the opportunity to provide testimony regarding New York State's FY 2027 budget.

NYSEIA is the statewide trade association representing hundreds of solar energy and energy storage companies across New York. Our members include companies ranging from small local installers to large national developers, manufacturers, contractors, financiers, labor unions, and workforce training partners. Together, we work in every region of the state to deliver rooftop solar on homes and businesses, community solar, and energy storage projects that lower energy bills, strengthen reliability, and create good local jobs. New York's solar and energy storage workforce is now 18,688 strong, and growing[1].

Our testimony focuses on how New York can use its FY 2027 budget to address the dominant concern facing New Yorkers: affordability and energy insecurity.

Energy Affordability Is a Defining Energy Challenge for New Yorkers

New Yorkers are facing persistent energy cost increases, driven by rising costs for traditional utility infrastructure upgrades, volatile fossil fuel prices, and constrained supply during peak periods in both the summer and winter. Household energy burdens are rising, and energy insecurity — defined as the inability to consistently afford adequate energy for basic needs — is becoming more widespread.

As policymakers consider the FY 2027 budget, the central question should be: *What policies will most effectively lower energy bills for all New Yorkers — quickly, durably, and at scale?*

The evidence is clear: rooftop and community solar, paired with energy storage, are powerful tools available to New York to advance energy affordability statewide.

Solar Is the Lowest-Cost Source of New Electricity

Solar energy is now the lowest-cost source of new electricity generation[2], with zero fuel costs and installation costs that have declined precipitously in the last decade. Once installed, solar power shields the home or business from fuel price volatility and provides long-term price certainty.

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[1] New York State Energy Research and Development Authority (NYSERDA), *2025 Clean Energy Industry Report*
[2] Lazard, *Levelized Cost of Energy+™ Analysis*, Version 17.0 (June 2024)

When solar is deployed close to where energy is used — on rooftops, parking canopies, brownfields, and as part of community solar projects — it delivers additional economic value by reducing congestion, lowering wholesale energy prices, and mitigating the need for expensive peaking generation. When paired with batteries, distributed solar becomes even more valuable, providing energy during high-cost evening hours and peak winter demand periods.

A Billion-Dollar Energy Affordability Opportunity for New York

Earlier this month, Synapse Energy Economics released a new statewide analysis[3] demonstrating that scaling distributed solar and energy storage represents a billion-dollar affordability opportunity for New York.

The Synapse report finds that scaling up New York's distributed solar capacity to 20 gigawatts by 2035, and meeting the state's energy storage goals, would save New Yorkers $1 billion every year on their energy bills relative to a business-as-usual scenario. These savings would be shared broadly and equitably across the state — $542 million annually in bill reductions Upstate and $481 million Downstate for families and businesses. The report also finds that 56 percent of these savings occur between November and March, delivering relief year-round.

For these reasons, NYSEIA's top budget priority — the Accelerate Solar for Affordable Power (ASAP) Act [S.6570 | A.8758] — is focused on scaling rooftop and community solar and energy storage in ways that directly lower energy costs for New Yorkers.

Importantly, this $1 billion in statewide ratepayer benefits is *in addition to* the hundreds of millions of dollars of annual utility bill savings that accrue directly to households and businesses that install solar and energy storage or subscribe to community solar.

In short, scaling rooftop and community solar paired with batteries is one of the most effective affordability strategies available to New York policymakers today.

Addressing Affordability in a Constrained Budget Environment

NYSEIA recognizes that New York is developing the FY 2027 budget against a challenging fiscal backdrop. Reductions in federal funding and growing demands on state resources place real constraints on new spending, making it more important than ever to prioritize policies that deliver measurable benefits without adding pressure to the state budget.

This fiscal reality is precisely why NYSEIA is focused on no-cost, high-impact policy solutions that directly lower energy costs for New Yorkers. The Accelerate Solar for Affordable Power (ASAP) Act exemplifies this approach.

The ASAP Act is designed to drive down the cost of distributed solar and energy storage projects by reducing inefficiencies, modernizing interconnection, and providing market certainty. Critically, the legislation is structured so that it does not require new appropriations or impose any direct fiscal impact on the state budget.

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[3] Synapse Energy Economics, *Sunlight and Storage Into Savings: Evaluating Energy Cost Savings from Distributed Solar and Storage Additions in New York*, January 2026. https://www.synapse-energy.com/sites/default/files/SolarStorageBenefitsNY%2025-113.pdf

By lowering project costs through regulatory and process reforms, the ASAP Act allows existing programs and private investment to work more effectively. This approach ensures that affordability gains are achieved through cost reductions and market efficiencies, rather than through additional public expenditures.

At a time when both households and the state itself are facing financial pressure, policies like the ASAP Act demonstrate that New York can make meaningful progress on energy affordability without increasing state spending. It is a fiscally responsible path forward that aligns energy policy with budget discipline.

Aligning with the Governor's Energy Affordability Agenda

NYSEIA appreciates the Governor's continued emphasis on energy affordability in the FY 2027 Executive Budget and welcomes several proposals that align closely with our shared goal of lowering costs for New Yorkers.

In particular, we are encouraged by the Governor's focus on utility accountability, including proposals that seek to rein in escalating utility costs and ensure stronger oversight of utility planning and spending. These proposals directly complement the interconnection modernization provisions in the ASAP Act, which are intended to bring transparency, efficiency, and cost discipline to a process that has become increasingly expensive and burdensome. Together, these efforts represent an important step toward ensuring that utilities are incentivized to deliver affordable outcomes rather than pass avoidable costs on to customers.

NYSEIA also strongly welcomes the Governor's proposed updates to the Green Jobs Green New York (GJGNY) program, which will have a meaningful and immediate impact on the residential solar market. Raising the per-household financing cap from $25,000 to $50,000 will allow more homeowners to fully address their energy needs — including solar, energy storage, efficiency and/or electrification — within a single project, reducing long-term costs and increasing participation.

These proposals underscore the Governor's recognition that lowering energy bills requires both cost control and consumer-focused program design. NYSEIA looks forward to working with the Administration and the Legislature to build on these elements of the Executive Budget and ensure they are implemented in a way that maximizes affordability benefits for households and businesses across New York.

New York's Distributed Solar Market: Proven, Scalable, and Cost-Effective

New York's distributed solar market is already the state's greatest clean energy success story. The state surpassed its 6 GW by 2025 CLCPA target more than a year ahead of schedule[4], and we remain well ahead of pace to achieve our 10 GW by 2030 solar goal. At the same time, growing federal opposition to clean energy is putting upward pressure on energy prices, making state-level leadership more important than ever. By cutting red tape, lowering costs, and shortening deployment timelines, New York can do the opposite — ensuring that all New Yorkers, especially those facing energy insecurity, continue to have access to the affordability benefits that solar and batteries deliver.

This track record matters because it shows that distributed solar is scalable, predictable, and cost-effective. It also demonstrates that NYSERDA programs such as NY-Sun — when paired with clear targets and stable market signals — deliver measurable benefits to ratepayers. While rooftop and community solar certainly contribute to New York's long-term climate goals, NYSEIA emphasizes that

[4] New York State Energy Research and Development Authority (NYSERDA), NY-Sun Program and Distributed Solar Progress Updates

they also address an immediate need: lowering electricity costs and improving energy security for households across the state.

The ASAP Act: New York's Most Effective Energy Affordability Tool

The Synapse analysis makes clear that distributed solar and energy storage are among the most powerful tools available to lower energy costs for New Yorkers. The newly released analysis shows that New York stands to gain the greatest energy affordability benefits by building on this proven success. That is why NYSEIA urges the Legislature and Governor to make enactment of the Accelerate Solar for Affordable Power (ASAP) Act a central element of the FY 2027 budget.

The ASAP Act aligns state law with the scale of deployment that independent analysis shows will deliver the greatest value for ratepayers. By raising New York's distributed solar target to 20 gigawatts by 2035, the ASAP Act establishes a clear, long-term commitment to policies that reduce electricity bills by lowering wholesale market prices and decreasing reliance on volatile fossil fuel generation.

Equally important, the ASAP Act addresses one of the largest remaining drivers of cost in the distributed solar market: interconnection delays and rising interconnection costs. Modernizing interconnection will shorten project timelines, reduce costs, and allow more savings to flow to consumers. Continuing the NY-Sun program alongside these reforms ensures the market stability that has fueled New York's success to date and protects ratepayers from unnecessary cost increases.

From an affordability standpoint, the ASAP Act represents one of the most effective energy investments the state can make in the FY 2027 budget.

Modernizing Interconnection to Cut Costs and Protect Ratepayers

Reducing unnecessary regulatory and administrative barriers is one of the most direct and immediate ways New York can lower electricity costs for consumers. Today, however, the opposite is occurring in the interconnection process.

Interconnection costs for distributed solar projects are now approximately five times higher than they were in 2020, driven in significant part by regulatory and planning structures that do not adequately incentivize utilities to control costs, prioritize efficiency, leverage technology for lower-cost solutions, or expedite project timelines. As a result, New York is increasingly relying on 20th-century tools and processes to connect 21st-century energy projects, burdening ratepayers with avoidable costs and slowing deployment of the very resources that reduce energy bills.

This dynamic has real consequences for affordability. Lengthy queues, opaque cost assignment, and utility processes that lack clear accountability all increase project carrying costs. Those costs ultimately flow through to customers — either directly for participating solar subscribers or indirectly to ratepayers statewide through higher system costs.

The interconnection provisions in the ASAP Act direct the New York Public Service Commission to establish regulatory proceedings to address these challenges head on in collaboration with utilities, solar and energy storage companies, and other stakeholders. By increasing transparency, standardizing timelines, and improving cost controls, the ASAP Act would introduce efficiency and — critically — real cost reductions to a process that has become unnecessarily expensive and unpredictable. These reforms would ensure that utility planning and interconnection decisions better align with the public interest in affordability and timely project delivery.

The ASAP Act also unlocks cost-effective interconnection options in New York by advancing proactive planning as well as flexible interconnection — the active management of solar and energy storage systems — as a cost-effective alternative to traditional and costly utility upgrades. Flexible interconnection utilizes lower-cost, reliable alternatives to these traditional upgrades, providing significant financial savings to solar and energy storage companies, accelerating deployment, and increasing utilization of New York's existing electrical infrastructure. We estimate that flexible interconnection could roughly double New York's cost-effective hosting capacity for solar and energy storage. National Grid and Avangrid have both implemented successful flexible interconnection pilot projects and are seeking to expand these pilots. The ASAP Act fast tracks this process and ensures that New York's other utilities also participate so flexible interconnection benefits can be realized statewide.

This is particularly important as federal clean-energy incentives phase down. In a post-ITC environment, controlling interconnection costs will be essential to maintaining a healthy, competitive distributed solar and storage market in New York. Lowering these costs will help ensure that rooftop and community solar remain affordable options for households, small businesses, nonprofits, and municipalities across the state.

Taken together, the ASAP Act's interconnection reforms reinforce broader utility accountability efforts and help protect customers from escalating, avoidable utility-driven costs. By modernizing interconnection, New York can accelerate deployment, reduce bills, and ensure that its most effective affordability tools are not sidelined by outdated processes.

Economic and Workforce Impacts

The affordability benefits of distributed solar and energy storage are reinforced by the strength and trajectory of New York's clean energy workforce. According to NYSERDA's most recent Clean Energy Industry Report, there are now 18,688 solar and energy storage workers in New York and our sector remains the backbone of renewable electricity generation in the state, accounting for more than half of all jobs in the renewable electric power sector.

Employment in solar continues to grow, increasing 4 percent in 2024 and adding more than 660 jobs statewide, while employment in energy storage grew by 8 percent, one of the fastest growth rates of any clean energy subsector. Growth in smart grid occupations — up 6 percent last year — highlights the essential role of grid modernization in enabling cost-effective deployment of distributed solar and energy storage, further reinforcing the importance of interconnection reform.

These jobs are broadly distributed across the state. Every county in New York now supports clean energy employment, and roughly one-third of clean energy jobs are located in disadvantaged communities. Clean energy jobs also offer meaningful economic benefits to workers and their families, including a 12 percent wage premium for entry-level positions compared to similar jobs outside the sector and healthcare coverage offered by nine out of ten employers.

In total, New York's clean energy economy contributed approximately $1.34 billion to gross state product and generated hundreds of millions of dollars in labor income and tax revenue last year. By scaling distributed solar and storage through policies like the ASAP Act, New York can continue to grow this high-quality workforce while delivering direct energy bill savings to households statewide.

Expanding distributed solar to 20 gigawatts by 2035 is expected to create approximately 15,000 additional jobs statewide. These are local, family-sustaining jobs that cannot be outsourced and that provide long-term economic stability in communities across every region of New York. By scaling the solar workforce through policies like the ASAP Act, New York can lower energy costs while simultaneously strengthening local economies and the state's tax base.

Additional Legislative Priorities: Next Steps After the ASAP Act

NYSEIA is clear that passage of the Accelerate Solar for Affordable Power (ASAP) Act should be the Legislature's top energy affordability priority in the FY 2027 budget. The reforms discussed below are not substitutes for the ASAP Act, nor are they intended to compete with it for attention or resources. Rather, they are logical and necessary next steps once the ASAP Act is enacted into law, designed to build on its success and further drive down costs for New Yorkers.

By first establishing a clear 20-gigawatt distributed solar target, modernizing interconnection, and continuing NY-Sun through the ASAP Act, the State will create the stable foundation needed to address remaining structural barriers in an orderly, cost-effective way. The following proposals are meant to follow that foundation — not replace it.

Ensuring Reasonable Community Solar Siting Outcomes

One of the most pressing post-ASAP challenges facing distributed solar is the growing prevalence of restrictive local zoning laws and municipal moratoria that limit or prohibit community solar projects even in areas with available grid capacity. To address this issue, NYSEIA supports the Community SOLAR Act — the Community Solar Opportunity and Local Approval Reform Act — introduced by Senator Parker as S.8119 and Assemblywoman Dana Levenberg as A.9087.

The Community SOLAR Act is designed to strike a careful balance between local decision-making and the statewide interest in affordable energy. It preserves appropriate municipal review while ensuring that local processes cannot be used to impose blanket prohibitions on projects that meet established standards and deliver clear public benefits. This approach reflects models adopted in other states, including Illinois, where targeted guardrails have supported predictable siting outcomes while preserving meaningful municipal control.

This legislation is intended as a targeted follow-on reform after enactment of the ASAP Act, focused on addressing one of the most significant remaining barriers to community solar deployment. Based on NYSEIA's analysis, restrictive local policies are currently obstructing approximately 4.5 gigawatts of otherwise viable community solar projects, limiting access to bill-saving subscriptions for households and exacerbating supply constraints that drive energy costs higher. By ensuring that statewide affordability goals cannot be undermined by blanket local prohibitions, the Community SOLAR Act helps translate New York's distributed solar commitments into on-the-ground results.

Modernizing Residential Solar Permitting

Automated residential solar permitting represents an important next step after enacting the ASAP Act to further reduce soft costs, expand access to rooftop solar, and support local governments with modern tools. NYSEIA supports S.5781, sponsored by Senator Harckham, and A.6270, sponsored by Assemblymember Cunningham, which would require jurisdictions to adopt an automated permitting platform such as SolarAPP+ or Symbium for eligible residential solar projects.

This legislation does not dictate building codes, override local standards, or alter municipal decision-making authority. Instead, it modernizes the workflow used to process residential solar permit applications, helping municipalities transition from paper-based or manual systems to secure, standardized digital platforms. Local officials would continue to apply their own codes and exercise full authority over project approvals, just through a more efficient and reliable process.

By automating routine review steps, these platforms significantly reduce clerical workload within local permit offices, minimize processing delays that frustrate residents and contractors, and eliminate repeated back-and-forth communication that consumes staff time. Reducing these inefficiencies is critical to lowering project costs, particularly for residential customers, where soft costs make up a large share of total system expense.

Automated permitting is best understood as a capacity-building solution. It ensures that municipalities of all sizes — including small villages and rural towns — have access to modern permitting technology that would otherwise be difficult or costly to develop and maintain independently. By standardizing and streamlining administrative processes, automated permitting supports local governments while accelerating deployment of the clean energy projects that reduce energy bills for residents.

Reducing Upfront Costs for Energy Storage

NYSEIA also supports legislation to exempt retail-scale energy storage systems from the state sales tax, recognizing energy storage as an essential companion to distributed solar at the commercial and community scale. Senator Parker's S.1527 and Assemblymember Paulin's A.313 would extend the existing sales tax exemption — already available to residential energy storage systems — to retail and other non-residential storage installations.

By removing sales tax from commercial-scale batteries paired with rooftop or community solar projects, this legislation would reduce upfront costs for customers seeking to deploy storage where it can deliver the greatest grid and affordability benefits. Retail-scale storage plays a critical role in lowering peak demand, improving reliability, and maximizing the bill-saving value of distributed solar for participating customers and the broader system.

As New York transitions into a post-ITC environment, ensuring that energy storage remains cost-effective at the commercial and community scale will be essential to sustaining the affordability and reliability benefits identified in the Synapse analysis.

Extending Solar Benefits to Nonprofits and Affordable Housing

Finally, NYSEIA urges lawmakers to complete unfinished work on the New York City Solar and Storage Property Tax Abatement by making it refundable for nonprofits and income-restricted affordable housing. Senator Kavanagh's S.4272 and Assemblymember Robert Carroll's A.6969 follow the Legislature's successful efforts in 2023 to expand and extend the abatement program. At that time, NYSEIA and its partners sought to include refundability but were unable to do so. As a result, many nonprofit and affordable housing owners still cannot fully benefit from the abatement, limiting solar deployment in buildings serving residents with the highest energy burdens. Once ASAP establishes a durable statewide framework for affordability, making the abatement refundable ensures that those benefits extend to communities that need them most.

Together, these proposals represent a clear sequencing strategy: pass the ASAP Act first to reset New York's distributed solar and storage trajectory around affordability, and then advance targeted follow-on reforms that remove remaining cost and access barriers. This approach ensures that each legislative action builds on the last, maximizing ratepayer benefits while maintaining policy coherence and fiscal discipline.

Conclusion: Capturing a Billion-Dollar Affordability Opportunity

New York faces a clear and compelling choice in the FY 2027 budget. Independent analysis shows that scaling rooftop and community solar, paired with energy storage, is a billion-dollar opportunity to lower

electricity costs for New Yorkers, improve reliability by shaving peak demand year-round, and strengthen local economies across the state.

The Accelerate Solar for Affordable Power (ASAP) Act provides a clear, no-cost pathway to capture these benefits. By raising New York's distributed solar target to 20 gigawatts by 2035, modernizing interconnection, and sustaining the NY-Sun program, the ASAP Act is designed to cut red tape, drive down project costs, and ensure that energy affordability gains reach households and businesses statewide.

NYSEIA respectfully urges the Legislature to seize this opportunity by enacting the ASAP Act as part of the FY 2027 budget. Doing so will deliver immediate, tangible relief for New Yorkers struggling with high energy bills and position the state for greater energy affordability, resilience, and economic stability in the years ahead.

For questions, comments, or follow up, please contact:

Jonathan Cohen, Policy Director
jonathan@nyseia.org | (631) 897-4189