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March 27, 2020

VIA ELECTRONIC DELIVERY

Honorable Michelle L. Phillips  
Acting Secretary to the Commission  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

Re: Case 18-M-0084 – Comments on the Energy Efficiency and Heat Pump Focused Input Session

Dear Acting Secretary Phillips:

The Alliance for Clean Energy New York, on behalf of our member companies, respectfully submits this letter to provide you and key governmental stakeholders with information on the impact of the COVID-19 crisis on New York energy efficiency (“EE”) businesses, as well as actionable recommendations that New York can implement to ensure both the physical and economic health and safety of the EE industry.

We are facing this unprecedented public health crisis together, and the ACE NY is ready to rise to the challenge, both now and after the immediate crisis has passed. New York has made impressive investments in building a clean energy economy over many years, including many recent initiatives led by you, the New York State legislature, the NY Public Service Commission, and NYSERDA, including the accelerated energy efficiency targets and new heat pump programs. These additional initiatives and investments hold the potential to drive significant job and economic growth after the current crisis abates and remain pivotal to fighting another crisis that New Yorkers care deeply about: climate change. And of course, efficiency measures reduce energy costs long term, putting more money into struggling New Yorkers’ pockets.

At latest report, 126,739 New Yorkers work in the energy efficiency industry in New York State.

Health and safety, always a top priority of the ACE NY members, is now more important than ever as we fight this unprecedented pandemic. As part of our commitment to health and safety, the EE industry is available and willing to do whatever we can to support New York’s COVID-19 response. Our trained workforce could be a key resource in supporting one of the many extraordinary actions that will need to be undertaken to respond to our current challenges.

But to support New York now and in the future, the EE industry must first survive this crisis and retain the skilled workforce needed to grow the clean energy economy. At the moment, the situation is dire. Job losses and furloughs are accelerating (40%+ of workforces in many cases); critical work is stalled; and we are at risk of losing the skilled workforce that we have all employed and trained for many years.

Crucially, many of our businesses are not designed to weather multiple months with no incoming revenue. This fact is not unique to the EE industry, of course, but it means that the future of New York's clean energy and energy efficiency goals may hinge on the policy decisions made in response to the Covid-19 crisis in the following days, weeks, and months.

ACE NY believes that these crucial policy decisions should be driven by the following principles:

- Any work that can be done safely should be done, for both existing projects and "shovel ready" new projects. K-12 schools (currently empty) and other facilities or outdoor spaces where the health risks are low may be appropriate targets.
- Any program rule that can be adjusted or changed to enable near-term cash flow for EE businesses should be adjusted or changed in a manner that is consistent with long-term program goals.
- Program incentive levels will need to be increased -- in some cases to 100% of project costs -- in order to stimulate program participation. Greater participation translates into more EE jobs. If incentives are left the same, we can be certain that participation levels will drop with decreasing consumer confidence. Federal aid or other state economic development funds may be able to be shifted to subsidize these increases.
- Where necessary for companies to survive, New York should provide and/or facilitate emergency lending and/or cash grants wherever possible, including streamlining existing and future eligibility requirements.
- As New York develops future economic recovery programs, it should recognize the large jobs benefits of EE.

In addition to the above principles, ACE NY believes it is important that all public money (ratepayer, tax, etc.) be used responsibly, ensuring that the EE businesses, our customers, and our investors continue to provide capital and resources whenever possible. This is about jobs and survival, and we all have to be in this together.

In order to ensure we accomplish these goals, ACE NY provides the following initial recommendations, broken down into three phases:

- Phase 1: Now until April 22 or whenever the work at home directive is lifted
- Phase 2: April 22 or whenever work at home directive is lifted until public health crisis fully abates
- Phase 3: Industry and economic recovery after public health crisis fully abates

## Suggestions for Phase 1

- Temporary cash payments for contractors to cover personnel and other fixed costs
- No interest construction loans for signed projects not yet installed
- No interest advances on state and utility incentives for signed projects not yet installed
- Energy audit payments for “virtual” energy audits that replace on-premise energy audits
- Specific changes for WAP subgrantees to extend timelines for production (fulfilling units completed requirements) and to provide payments along the way in order to retain workforce
- Increase incentives through existing EE budgets, which will facilitate inside/phone sales of shovel ready projects.
- Provide funds to employers to support paid online training by employees while onsite work is not possible
- Provide funds to training organizations to rapidly prototype online training given changes to curriculum necessary for social distancing (may require later field/practical tests)

## Suggestions for Phase 2

- Provide better financing terms from the New York Green Bank and other state clean energy lending entities, including lowering or waiving of fees and providing guidelines to enhance investment terms during force majeure events
- Enhance the NYSERDA Co-Investment Fund program, including accelerating awards (both those in the application review stage as well as new applications), increasing maximum co-investment levels, and accelerating payments
- Adjust low income program qualifications to include those recently laid off or furloughed due to COVID-19 even if not previously eligible based on household income
- Implement innovation pilots for program designs that are resilient to COVID-19 disruption to protect against any future waves (COVID-19 again or a similar threat), and to accelerate innovation generally
- Continue with enhanced incentive levels to ensure program participation
- Provide enhanced incentives for LMI

## Suggestions for Phase 3

- Work with the EE industry to develop longer term proposals to support this industry
- Direct state or federal stimulus funds to energy efficiency efforts
- Provide additional cost-effective investments in energy efficiency through utility program investments

ACE NY believes that all of the recommendations above are consistent with near-term efforts to protect and improve public safety and health, as well as existing state energy policy goals. We are interested in a further dialogue with NY State government stakeholders to discuss the recommendations above and assist wherever possible in designing and implementing solutions. The EE industry is prepared to do our part, but we need help to survive today so that we can thrive tomorrow.

We thank you for your leadership in this difficult time and look forward to working hand in hand in helping New York recover through the rise of the clean energy economy.

Sincerely,

A handwritten signature in cursive script that reads "Anne Reynolds". The signature is written in black ink and is positioned above the typed name and title.

Anne Reynolds  
Executive Director  
Alliance for Clean Energy New York