

LOWERING COSTS THROUGH A CLEAN ENERGY STRATEGY

POWERING AFFORDABILITY: A BLUEPRINT FOR
TACKLING NYC'S ENERGY COST CRISIS THROUGH
SOLAR AND BILL RELIEF



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The Rising Costs of Energy in NYC

New York City is in the midst of an energy affordability crisis. Household electricity bills are at their highest levels in a decade, already far higher than the national average, and they have risen roughly 40 percent in just the last five years.¹ The burden is falling hardest on those least able to absorb it, with low-income families disproportionately impacted by increasing bills. Nearly a third of city residents report multiple forms of energy insecurity, from cutting back on basic energy use to struggling to pay monthly bills.² As energy cost growth outpaces wages, families are increasingly forced to choose between keeping the lights on and meeting other essential needs, with rising arrears and shutoffs pointing to a system under strain.³

These rising costs reflect deeper structural problems in how energy is both generated and delivered. On the supply side, New York City still relies heavily on volatile fossil fuels, particularly natural gas, which accounts for about 80 percent of the supply,⁴ exposing households to global price swings as foreign wars rage on. On the delivery side, ratepayers are footing the bill for aging infrastructure and an increasingly expensive grid as investor-owned utilities raise rates to cover capital costs. Contrary to recent claims by opponents of clean energy, only a small share of electricity bills is tied to clean energy investments required by the Climate Leadership and Community Protection Act (CLCPA). New York's Public Service Commission staff found that most of what households pay goes toward fossil fuel generation and the increasingly expensive systems required to deliver it.⁵

This crisis is expected to deepen as demand for electricity increases. Electricity use in New York City is projected to grow by 40 percent by 2050,⁶ driven by data centers, advanced manufacturing, and the electrification of homes and vehicles. At the same time, utilities like Con Edison and National Grid are already citing grid constraints and the need for major transmission upgrades to justify raising rates.⁷

The result is a compounding affordability challenge: New Yorkers are paying more for both the energy itself and the outdated system that delivers it, as reflected in increasing supply and delivery costs on our monthly bills. Although the City and State have passed landmark climate policies—namely the state's CLCPA and the city's Climate Mobilization Act—to expand clean energy and support low-income households, recent federal and state headwinds have stalled progress. Interconnection delays and cancellations of major offshore wind and transmission projects,⁸ combined with the One Big Beautiful Bill Act's phasing out of federal incentives for wind and solar, threaten to slow the growth of large-scale renewables.⁹

Although New York State and the federal government both fund programs to deliver immediate bill relief to households struggling to keep up with rising costs, including federal Home Energy Assistance Program (HEAP) and NYS Energy Assistance Program (EAP), these existing bill assistance programs remain underused by many of the households that need them most due to administrative burdens of enrollment and insufficient outreach.¹⁰

Addressing this multifaceted crisis will require accelerating the lowest-cost, locally generated solutions, like distributed solar and storage, while strengthening and expanding access to bill relief programs so that households can afford the energy on which they depend.

NYC can expand access to bill relief while building out distributed solar to bring down energy costs.

New York City's energy affordability crisis is rooted in the structure of the grid itself. Our system still relies on centralized, fossil fuel-based power that is expensive to operate, vulnerable to fuel price volatility, and increasingly costly to maintain as infrastructure ages and demand rises. These costs are passed directly on to New Yorkers through higher utility bills, with the greatest burden falling on low-income households. Without intervention, the city is locked into a cycle of rising expenses tied to fuel, transmission upgrades, and increasing peak demand.

New York City can take decisive action to address this crisis through three complementary strategies:

1. Streamline access to energy bill relief programs
2. Scale affordable, local, clean energy
3. Expand access to solar and storage savings

Streamline Access to Energy Bill Relief Programs

NYC should immediately improve access to existing energy bill relief programs by eliminating administrative barriers that prevent eligible low-income households from receiving benefits. Despite numerous available programs—including HEAP, EAP, community solar, and the New York State Energy Research and Development Authority (NYSERDA) weatherization assistance (Empower+)—complex application processes, varying eligibility requirements, and lack of coordination keep families from accessing critical savings.

NYC's Human Resources Administration (HRA) pioneered automatic enrollment by data-matching HEAP recipients with utility-administered affordability programs, such as the EAP in which utilities deliver bill subsidies to enrolled households. This model led to statewide legislation in 2023 requiring automatic enrollment for public assistance recipients.¹¹ NYC can continue to lead by expanding a “no-wrong-door” approach.

1. **Expand Data-Matching:** HRA should partner with NYSERDA, NYS Office of Temporary and Disability Assistance, and NYS Department of Taxation and Finance to create automatic enrollment or qualification across all relevant programs based on income, location, and existing program participation. Where auto-enrollment is not feasible or advisable—either by the HRA itself or in

partnership with state agencies—HRA should proactively notify eligible NYC households of programs for which they are pre-qualified and facilitate access so that households do not need to provide additional documentation to apply to other state programs.

2. **Streamline Community Solar Access:** Community solar is a successful model of distributed solar in which residents can subscribe to a portion of a large solar project and receive a discount on their energy costs. This increases access to solar because subscribers do not need to have a suitable roof or pay anything up-front to receive credits. New York has been one of the leading markets nationwide in community solar, and notably, has focused on incentivizing community solar projects where some or all of the subscribers must be low-income residents.¹² Despite these efforts at increasing access to solar energy and the value it generates, the process of subscribing to community solar for income-eligible New Yorkers has proven difficult for many. Logistical frictions of requesting and submitting eligibility documents, coupled with a lack of awareness and trust of energy companies, pose challenges. For example, most community solar projects specifically serving low-income New Yorkers require subscribers to submit a recent award letter stating that they are a beneficiary of another state income-qualifying program such as SNAP or HEAP. But in the process of requesting a recent letter, waiting for it, and then submitting it to yet another portal, many people never complete their application.

To address these issues and increase access and ease in subscribing to community solar projects, HRA should automatically send “pre-qualification letters” on an annual basis that would serve as an award letter to income-eligible program recipients. This letter should indicate their enrollment in one of the state programs and also notify them of community solar eligibility and direct them to NYSERDA's project listings with clear instructions for finding an available spot.¹³ HRA would need to work with NYSERDA to ensure this letter is an acceptable proof of eligibility for the NY-SUN Inclusive Community Solar Adder projects, which are community solar projects that have received a specific incentive from NYSERDA on the condition that they enroll at least 40 percent of the project capacity to low-income residents or affordable housing.¹⁴

To ensure eligibility for all relevant community solar projects, HRA should also work with NYSERDA so that this award letter is suitable for community solar projects also receiving the Qualified Low-Income Economic Benefit Adder through the Inflation Reduction Act.¹⁵ HRA should also suggest improvements to the NYSERDA Community Solar Project listing website to make it usable for residents with multiple language and technology needs. Overall, this approach would eliminate the additional burden on

applicants of obtaining award letters while also providing trusted government validation of legitimate programs.

Figure 1. Documentation Needed to Prove Categorical Eligibility for NYSERDA Inclusive Community Solar Project¹⁶

EmPower New York Award Letter	Dated within 12 months of the customer agreement signature
HEAP Award Letter	Dated within 12 months of the customer agreement signature
HEAP or Energy Utility Assistance listed on the utility bill	Utility bill must be within the past 12 months of the customer agreement signature
SNAP Award Letter	Dated within 12 months of the customer agreement signature
TANF Award Letter	Dated within 12 months of the customer agreement signature
Supplemental Social Security Income Award Letter	Dated within 12 months of the customer agreement signature

Scale Affordable, Local, Clean Energy

While addressing households' energy burden immediately is critical, New York City must also work to scale affordable, local, clean energy to address the underlying problem of the city's overreliance on expensive and volatile fossil fuels. The New York City Mayor should take an executive action to double the city's distributed solar goal from 1 gigawatt (GW) to 2 GW by 2035 and establish a 2 GW energy storage target. These goals would accelerate deployment of the most cost-effective and fastest tools available to lower energy bills, improve reliability, and reduce dependence on volatile fossil fuel markets.

NYC has used ambitious climate goals as a strategy to drive change since the 2007 PlaNYC. Each planning cycle has set specific targets for emissions reduction, renewable energy expansion, and resilience. Mayor DiBlasio announced a target of 80 percent emissions reduction by 2050 at the People's Climate March in 2014—the 80x50 plan—and then established subsequent building decarbonization and renewable energy targets as key components of the goal.¹⁷ In 2016, Mayor de Blasio expanded the city's solar commitments from 450 MW by 2025 to 1 GW by 2030, directing city agencies to remove deployment barriers.¹⁸ These nonbinding

goals primarily function as milestones—meaningful progress requires follow-up legislation and enforcement mechanisms to translate aspirations into action.

More aspirations and actions are now needed to accelerate clean energy within the city in the face of urgent affordability and reliability challenges. Although utility-scale renewables remain essential for long-term decarbonization, they face significant barriers—including permitting and interconnection delays, land use conflicts, and supply chain issues—that slow development and limit their ability to address today’s affordability crisis in the near term. In contrast, distributed solar and battery storage can be built quickly across New York City’s built environment—on homes, businesses, schools, and parking lots. Rooftop and community solar generate low-cost electricity on site, directly lowering bills, while also reducing overall grid demand. Solar paired with storage not only produces local clean energy, but also shifts energy use away from peak periods, provides resilient backup power, and displaces polluting and expensive peaker plants that are harmful to public health and disproportionately burden the residents of environmental justice communities.

The impact of distributed solar paired with storage extends beyond individual participants. By lowering demand in wholesale markets managed by the New York Independent System Operator,¹⁹ distributed generation reduces market-clearing prices for all customers. These grid-wide savings are substantial. Analysis by Synapse Energy Economics found that scaling distributed solar and storage to 20 GW *statewide* could deliver \$1 billion in annual energy cost savings by 2035, including nearly \$500 million downstate, with bill reductions even for customers who do not directly install solar.²⁰ For New York City, expanding local solar is one of the most immediate ways to capture these system-wide savings.

New York City is already on track—almost 70 percent—to meet its 1 GW solar goal. But that benchmark no longer reflects the scale of need—or opportunity. Significant rooftop potential remains untapped for solar. The City lacks a formal storage target despite its critical role in reliability and cost control. NYSERDA’s Energy Storage Roadmap indicates that *at least* 2 GW could be installed within the city, and in fact, must be in order to reach the 2030 and 2040 targets established by the CLCPA.²¹ Establishing more ambitious goals will send a clear market signal, align city and state policy, and drive innovative programs and investment to scale deployment.

New York City can move quickly by establishing these targets through a mayoral executive commitment—just as it did in 2016 when it set the original 1 GW solar goal. While not legally binding, executive goals can chart an ambitious path forward. City agencies, from the Department of Buildings (DOB) to the Department of Housing, Preservation and Development (HPD), can streamline and accelerate solar development. The City Council and

Mayor can use goals to influence budget decisions. And the solar industry reads these commitments as an indicator of market stability, making it safe for companies to invest in their businesses and hire more workers to meet demand.

New York City has done this before, setting targets and then driving policy changes to reach them. The 80x50 framework and solar goals created a vision that advocates and policymakers alike used to push for bold legislation: The Climate Mobilization Act turned that vision into tangible action. It instituted a binding mandate to reduce emissions through building decarbonization using laws such as Local Laws 92 and 94, which require solar or green roofs on all new buildings and renovated roofs; Local Law 97 which sets mandatory emissions limits for large buildings.²² The City then made changes to the zoning code to further support decarbonization by passing the City of Yes for Carbon Neutrality, which among other things, removed zoning obstacles so that solar could cover more rooftop space.²³ Other initiatives like NYCHA's commitment to site 30 MW of clean energy on its rooftops through the AccesSolar program demonstrate the various ways the City can leverage its agencies and assets to achieve its targets. These changes have catalyzed solar adoption on public and private buildings, driving growth in the solar industry and rapidly increasing the supply of clean energy within New York City.

Expanding the solar goal and establishing a storage target would build on the City's efforts, setting a new mile marker to strategically drive policy, agency alignment, regulatory changes, and private investment to achieve results. The resulting expansion of clean energy and storage is necessary to help fill the gap in renewable energy supply while lowering electricity costs by reducing grid congestion and reliance on expensive fossil fuel generation.

Expand Access to Solar Savings for Affordable Housing

Scaling solar and storage targets must be paired with policies that ensure these resources reach the New Yorkers who need them most. New York City should actively support the passage of a Direct Pay Solar and Storage Property Tax Abatement to expand access for affordable housing and nonprofit organizations.

Today, many of the buildings facing the highest energy burdens are effectively locked out of rooftop solar and storage. While NYC's existing Solar and Storage Property Tax Abatement (SEGS) covers 30 percent of project costs,²⁴ it only benefits entities with property tax liability. As a result, affordable housing, houses of worship, and nonprofits—those most in need of energy cost relief—are largely excluded. This gap is becoming more urgent as federal solar incentives phase down, further limiting available funding.

The existing SEGS is part of the NYS Real Property Tax Chapter in the Consolidated Laws of New York.²⁵

Though it is established as part of New York State Law, the program is only eligible to buildings located in New York City, and must be administered by NYC agencies. To remedy the regressive nature of the incentive, the state must pass a law to amend the Real Property Tax Chapter.

There is already state legislation introduced that would fix this inequity by allowing tax-exempt entities to receive the value of the abatement as a direct payment.²⁶ Modeled on existing “direct pay” structures used in federal clean energy incentives and state historic preservation rehabilitation incentives, this approach would unlock solar and storage for a broader set of mission-driven owners.

The urgency is increasing for affordable housing. Since 2017, operating costs for affordable housing have risen by roughly 40 percent, and many buildings require constant repairs and maintenance as rents fail to keep pace with expenses.²⁷ At the same time, owners are contending with declining rent collection, rising insurance costs, and tighter lending conditions—making new capital investments increasingly difficult.

Distributed solar and storage can help stabilize these buildings financially. By lowering utility costs for common areas, heating, cooling, and hot water—and by reducing exposure to volatile fuel costs—these systems deliver predictable, long-term savings. But in the current environment, energy upgrades are often deferred because of their steep up-front costs, even when they would bring much-needed savings in the long run.

A direct pay structure for the SEGS would make these savings accessible. At a relatively modest cost to New York City—estimated at approximately \$1 million in the first year, growing to \$5 million over four years—the policy would unlock decades of utility bill savings for affordable housing and nonprofits. Those savings can then be reinvested into building maintenance, resident services, and long-term affordability.

Although this legislation must be passed by the New York State Legislature, it applies only to New York City and relies on City support for implementation. State lawmakers are generally supportive, but have made clear the bill’s passage is contingent on the City signaling its backing.

To advance this policy, the Mayor should issue a formal memo of support endorsing the Direct Pay Solar and Storage Property Tax Abatement. This simple administrative action would unlock state approval and enable New York City to extend one of its most effective clean energy incentives to the communities that need it most.

Conclusion

New York City's energy affordability crisis demands immediate, coordinated action across multiple fronts. The current system—reliant on expensive fossil fuels and aging infrastructure—traps households in a cycle of rising costs that disproportionately burden low-income families. However, city leaders can take decisive action by streamlining access to existing bill relief programs, accelerating deployment of distributed solar and storage, and ensuring these benefits reach affordable housing and nonprofit organizations through direct payment incentives.

The complementary strategies discussed above—immediate relief paired with long-term structural solutions—offer a practical roadmap to transform New York City's energy landscape from one of mounting costs to affordable, clean, and locally controlled power that serves all New Yorkers.

Endnotes

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