

# **Federal and State Solar Incentives New York**

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## **Federal Investment Tax Credit**

The Federal Investment Tax Credit (ITC) is the most significant incentive program, and when added to the other incentives, drastically increases savings. Currently any interested party who buys a system outright, either through a cash transaction or solar loan, will receive a 26% tax credit based on the total cost of the system.

**There are three main incentive programs in New York:**

## **The Megawatt Block Incentive Structure**

New York's Megawatt Block Incentive is a direct, generous incentive for solar energy available under New York's ambitious NY-Sun Initiative. The program provides an up front dollars-per-watt (\$/W) rebate for both commercial and residential solar panel systems. The size of your subsidy depends on how much solar energy is already being produced in your area and could be as high as \$1/W.

## **New York net metering**

Net metering is a crucial policy that ensures you get paid a fair price for the solar electricity that you send into the grid. Any credits for excess solar power that you accrue are stored in a "credit bank" and can be used in future months (usually winter) if your solar energy system produces less electricity.

Check out the top utility net metering programs in New York:

- Consolidated Edison
- National Grid
- PSE&G

## **New York State Solar Equipment Tax Credit**

The New York solar tax credit can reduce your state tax payments by up to \$5,000 or 25% off your total solar energy expenses (whichever is lower). The great advantages of the Solar Equipment Tax Credit are twofold: first, you don't have to purchase your system to claim the credit (i.e. it applies to you even if you went

solar with a lease or PPA), and second, if your tax liability isn't large enough to claim the entire credit in the first year, you can roll it over into the next year.

## **Other New York solar programs and incentives**

### **The NY-Sun Initiative**

NY-Sun is an umbrella program for a number of solar industry support mechanisms in New York State, including (but not limited to) the Megawatt Block Incentive Structure. NY-Sun, in conjunction with NYPA, also provides the backbone for the state's Community Solar and K-Solar programs.

### **Reforming the Energy Vision (REV)**

The ultimate goal of the REV Initiative is to reinvent New York State's energy systems with a focus on 'distributed energy' technologies like rooftop solar panels and energy storage. Although it does not directly subsidize rooftop solar power, its ultimate aim is to level the playing field for distributed energy vs centralized power plants (like coal, gas and nuclear) through market reforms.