



S.4954-B (THOMPSON, FOLEY) A.7611-B (ENGLEBRIGHT, ET AL.)

Summary

This bill would amend New York State's General Municipal Law and Local Finance Law to authorize municipalities to establish green loan programs to finance the purchase and installation of residential solar and wind generating systems. Only municipalities that choose to create such a program would do so; there is no requirement. The specific terms and conditions of the loans are left to each local government to determine, provided that they include a fixed interest rate and are repaid by the recipient in 20 equal, annual charges on their property tax bill.

Explanation

Cities, towns and villages have traditionally been on the cutting edge of innovative programs and policies to expand renewable energy installations. Despite the progress made through state and federal subsidies for solar and wind technologies, high upfront costs pose a barrier to many homeowners. This bill would make capital available to residential customers and spread out the payback period, thereby allowing homeowners to largely offset the loan payment through annual savings on their utility bills. Combined with New York's recently updated net metering law and customer-sited Renewable Portfolio Standard subsidies, these loan programs would increase the attractiveness of investing in residential renewable systems.

On-site renewable power systems reduce stress on the electric grid, allow consumers to hedge against volatile energy costs, and provide environmental, public health, and economic benefits. By reducing the demand for power generated by burning fossil fuels, the expansion of residential renewable systems will help protect New Yorkers from the harmful effects of air pollution. These harmful effects include asthma attacks and premature deaths in seniors, increased mercury contamination, destruction of forests by acid rain, as well as the wide-ranging negative effects associated with global climate change.

Efforts to expand renewable energy at the state and federal levels are important, but ambitious and forward thinking local governments that wish to further augment existing initiatives have a vital role to play. This bill would remove an existing barrier that currently prevents municipalities from establishing such programs, thereby accelerating the deployment of clean energy and providing a needed boost to the state's emerging solar and wind industries.

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