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TO:  
Honorable Kathleen H. Burgess, Secretary to the Commission  
New York State Public Service Commission  
Empire State Plaza, Agency Building 3  
Albany, NY 12223-1350  
Email: secretary@dps.ny.gov

FROM:  
Brandon Smithwood  
Policy Director  
Coalition for Community Solar Access (CCSA)  
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RE:  
- Case 15-E-0751 - In the Matter of the Value of Distributed Energy Resources  
- Case 15-E-0082 - Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions For Implementing a Community Net Metering Program.  
- Matter 17-01276 - In the Matter of the Value of Distributed Energy Resources Working Group Regarding Value Stack

Dear Secretary Burgess,

Please find the joint comments of the Coalition for Community Solar Access, Natural Resources Defense Council, Pace Energy and Climate Center, Solar Energy Industries Association and Vote Solar (referred to herein as the Clean Energy Parties, “CEP”) regarding statewide interzonal crediting and the community distributed generation subscription limit.

/s/ Brandon Smithwood

Brandon Smithwood  
Policy Director  
Coalition for Community Solar Access
Introduction

On May 22, 2018, the Department of Public Service (“Staff”) filed a Notice Soliciting Comments on Staff Proposal and Related Matters, specifically seeking comment on the following two questions of particular relevance to the CEP:

1. Should a Distributed Energy Resource (“DER”), eligible for and receiving compensation based on the Value of Distributed Energy Resources (“VDER”) Value Stack tariff, be permitted to apply the credits it receives to the bills of customers in the same utility territory as the DER but a different New York Independent System Operator (“NYISO”) load zone, either through community distributed generation (“CDG”) or through a single-customer remote crediting; and

2. Should the existing CDG subscription size (a minimum of 1,000 kWh/year) be lowered to facilitate the participation of customers who wish to take smaller subscriptions?

As a preliminary matter, the CEP has previously expressed its support for interzonal crediting for CDG in comments filed to Case Nos. 17-01276, 17-01278, and 15-E-0751 in October 2017. ¹ Those comments were in response to the March 9, 2017 Order on Phase One of the VDER, in which the Commission ordered Staff to consider such a proposal as a means to expand low-income access to, and participation in, VDER programs and tariffs.

With respect to interzonal crediting, the CEP wish to draw on our previous comments on the issue. We again lend our support to the elimination of the current statewide load zone restrictions for all CDG subscribers to allows customers located in the same utility service territory as a CDG project on the value stack tariff, regardless of load zone location, to subscribe to that CDG project.

With respect to lowering the existing CDG subscription cap, the CEP support the Commission establishing a lower minimum subscription size for CDG customers or removing the minimum subscription requirement entirely.

Both of these changes are necessary to expand access to clean energy to more people in New York and to reduce soft costs of customer acquisition.

The Commission Should Remove Load Zone Restrictions Statewide for CDG Customers

The CEP sees no procedural or structural reason why the existing statewide load zone requirements should remain for subscribers of CDG projects on the value stack tariff. This change will yield substantial benefits to CDG customers with no added cost or burden to the distribution companies.

Currently, CDG customers must be located in the same load zone as the CDG project to which they wish to subscribe. This has the practical effect of locking out potential customers in certain geographic regions because CDG projects are unlikely to be sited in areas with a smaller pool of potential subscribers.

With this change, the Commission would lower the barriers for CDG participation, thereby maximizing the number of utility customers that can benefit from the CDG program in New York State. Increasing the total potential pool of subscribers would allow developers to more confidently pursue projects that promote participation by a specific subset of customers, such as low- and moderate-income households.

Presently, the economics of CDG project development dictate that developers balance proximity to large population centers with the availability of open land. Practically, this leaves those New Yorkers in utility load zones with smaller populations, or significant land scarcity, with fewer opportunities for CDG participation. By removing the artificial geographic boundaries that currently exist, community solar providers are afforded a larger pool of potential customers for their products, while CDG participants benefit from increased choice, as well as the follow-on effects of a more diverse and competitive set of product offerings.

Individual project economics will also be positively affected by this change. Increasing the pool of potential participants decreases the risk of undersubscription, lowering overall project risk and thus, cost of capital. Lowering geographic barriers to participation makes it possible to develop in lower-cost areas; it also allows more customers to maintain their subscription when they move to a different zone within the same utility territory, resulting in lower customer turnover and acquisition costs. Decreased project risk, lower cost of capital, lower customer turnover, and lower acquisition costs all translate to a wider range of projects being seen as financially viable by developers and financiers alike.

Fortunately, the benefits of this minor change should come with minimal costs, if any, to the electric utilities. There should be no additional administrative burden placed on the utilities when processing subscriptions for customers in different load zones, and there will be no difference in the value of the bill credits, since that value is based on the location of the project. The CEP therefore strongly recommend the Commission adopt this policy change as expeditiously as possible.

**Lowering the Existing Minimum Subscription Size for CDG Subscribers May Facilitate Greater Participation in CDG**

As stated above, we appreciate the Commission’s inquiry into ways to reduce unnecessary barriers to CDG participation so as to better expand access to all customers. There is no justification for any subscription size limit; we therefore recommend that the minimum subscription size limit be eliminated.
Lowering the minimum CDG subscription size would enable community solar providers to better serve customers with low annual usage, which can include many low-income customers as well as those “prosumers” who have made significant strides to reduce their energy use. It can also allow community solar providers the flexibility to more easily bundle their products with other DER offerings, supporting the type of business model and product innovation that has been a goal of the Reforming the Energy Vision initiative. While we believe this expanded access and flexibility is important, we also believe many community solar providers will continue to offer subscriptions designed to fully offset the energy usage of higher use customers, and therefore we do not foresee a significant increased administrative burden on the part of the utilities as a result of an increase in the number of subscriber accounts. As the CEP have commented previously, outdated billing systems should not be a reason to restrict community solar participation and business model innovation; there is a robust ecosystem of software solutions available to assist with utility billing and utility billing innovation itself is part of the REV vision for the utility to act as distributed system platform provider.

We thank you in advance for your consideration of this issue.

Respectfully submitted,

/s/ Brandon Smithwood  
Brandon Smithwood  
Policy Director  
Coalition for Community Solar Access

Dated: August 6, 2018.