STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of the Proposed Amendments to the New York State Standardized Interconnection Requirements (SIR) ) Case 18-E-0018 For Small Distributed Generators )

In the Matter of Proposed Amendments to the New York State Standardized Interconnection Requirements (SIR) ) Case 15-E-0557 For Distributed Generators 2 MW or Less )

In the Matter of the Value of Distributed Resources ) Case 15-E-0751

PETITION BY THE IPWG/ITWG COMMENTERS FOR CLARIFICATION OF ORDER MODIFYING STANDARDIZED INTERCONNECTION REQUIREMENTS


¹ The list of participants in this filing is not identical to the list of IPWG/ITWG Commenters in prior filings.
of the recent *Order Modifying Standardized Interconnection Requirements* ("Order")\(^2\) in these proceedings\(^3\) and, more specifically, the revised Standardized Interconnection Requirements ("SIR") dated April 2018 found at Exhibit A of the Order ("Revised SIR").\(^4\) Throughout this proceeding, the constituent members of IPWG/ITWG Commenters have collaborated together and with the Department of Public Service Staff ("Staff") to develop workable solutions to improve implementation of the SIR. This filing represents the IPWG/ITWG Commenters’ most recent effort to effectuate certain clarifications to the Revised SIR to improve overall effectiveness.

I. **Introduction**

As the Commission noted in the Order, since 1999 the New York State SIR has provided an efficient model for the interconnection of distributed energy resources ("DER") to the distribution systems of the State’s electric utilities.\(^5\) As part of its most recent periodic review and update of the SIR, the Commission sought comments on changes to the SIR as proposed by Staff.\(^6\) The Commission specifically described Staff’s modifications as providing updates to

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\(^2\) Cases 18-E-0018 *et al., In the Matter of Proposed Amendments to the New York State Standardized Interconnection Requirements (SIR) for Small Distributed Generators* ("SIR Proceeding"), Order Modifying Standardized Interconnection Requirements (issued April 19, 2018) ("Order").

\(^3\) This filing seeks specific clarification of elements of the Order and does not argue that the Commission committed an error of fact or law or that new circumstances warrant a different result as required for a rehearing petition, NYCRR Sec. 3.7(b). To the extent, however, that this filing is deemed to be a petition for rehearing, the IPWG/ITWG Commenters respectfully request a waiver of the 30-day filing requirement, *id.*, Sec. 3.7(a), because the petition’s preparation necessarily required more than 30 days to reflect and analyze the details of the Order and the revised SIR dated April 2018 ("Revised SIR") appended thereto and to coordinate among the IPWG/ITWG Commenters.

\(^4\) The Commission subsequently issued an Erratum Notice on May 10, 2018 which incorporated certain edits to the Revised SIR and attached a corrected Revised SIR as Exhibit A to the Erratum Notice. All references in this petition to the Revised SIR will mean that version attached as Exhibit A to the Erratum Notice.

\(^5\) SIR Proceeding, Order, pp. 1-2.

\(^6\) SIR Proceeding, Notice Soliciting Comments on Proposed Modifications to the Standardized Interconnection Requirements (issued January 11, 2018)("Notice"), p. [1].
provide clarity and consistency with the Commission’s direction within *In the Matter of the Value of Distributed Energy Resources Proceeding* (“VDER Proceeding”).

In response, the IPWG/ITWG Commenters worked collaboratively to submit joint responses and tracked changes to Staff’s proposed SIR modifications (“IPWG/ITWG Redline”). Significantly, despite the diversity of individual viewpoints within the group, the IPWG/ITWG Commenters were able to agree on every element of the proposed SIR modifications except for certain items within the screens on which separate comments were filed. Other than two additional suggested modifications to the SIR proposed by Hudson Solar, the other commenters raised more general issues and those parties filing reply comments did not effectively challenge the SIR modifications proposed by the IPWG/ITWG Commenters.

The IPWG/ITWG Commenters appreciate the Commission’s earlier consideration of their suggestions in the IPWG/ITWG Redline. To facilitate smoother implementation of the Revised SIR, for the reasons set forth in more detail below, the IPWG/ITWG Commenters

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8 SIR Proceeding, Initial Comments of the IPWG/ITWG Commenters to the Commission’s Notice Soliciting Comments on Proposed Modifications to the Standardized Interconnection Requirements (SIR) (filed March 12, 2018) (“IPWG/ITWG Commenters’ Initial Comments”).
9 And in fact, the IPWG/ITWG Commenters simply ran out of time to try to work out an agreement on the screens.
11 SIR Proceeding, Comments of the City of New York (filed March 12, 2018) and Reply Comments of the City of New York (filed March 26, 2018) (addressed use of the Interconnection Online Application Portal, utility accountability for SIR compliance, symmetry of insurance, and greater municipal flexibility); Comments of High Peaks Solar (filed January 30, 2018) (addressed Commission’s specific questions); Reply Comments of Consumer Power Advocates (addressed use of the Interconnection Online Application Portal, utility accountability for SIR compliance, and greater municipal flexibility); PSEG-LI Comments (filed March 12, 2018) (addressed Commission’s specific questions); University of Delaware Comments (filed March 12, 2018) (focused on electric vehicles); and Utility Intervention Unit (“UIU”) of the New York State Department of State’s Division of Consumer Protection Reply Comments on the Proposed Modifications to the Standardized Interconnection Requirements (filed April 4, 2018).
12 The IPWG/ITWG Commenters suggest that adoption of the clarifications recommended herein could potentially reduce the number of questions/inquiries directed to Staff from developers.
respectfully urge the Commission to clarify specific elements of the Revised SIR and implement certain non-material edits to improve the overall effectiveness of the Revised SIR.

II. Clarifications to Improve Implementation of the Revised SIR

As noted above, the IPWG/ITWG Commenters urge the Commission to adopt the following clarifications to the Revised SIR. The IPWG/ITWG Commenters note their success at reaching agreement on these proposals and emphasize that no other stakeholder opposed these suggestions in the earlier filed IPWG/ITWG Redline designed to improve the SIR process, a goal that the Commission, Staff, and IPWG/ITWG Commenters share. Some of the clarifications are less critical than others but, taken as a whole, the IPWG/ITWG Commenters submit that these modifications will help improve the daily operation of the SIR for both interconnection applicants and the Joint Utilities in furtherance of the Commission’s policy goals. Adoption of these modifications would also signal the Commission’s recognition of the significant collaborative efforts which underlay the identification of these modifications and would encourage such continued efforts.

Of general note, the Order lacks clarity regarding whether the Revised SIR applies only to projects newly submitting applications in the future, or whether it additionally applies to all projects that have previously submitted a completed application but are not yet fully interconnected. For simplicity of implementation for both utilities and developers, the IPWG/ITWG commenters recommend that all projects that have previously submitted a completed application but are not yet fully interconnected, as well as projects newly submitting applications in the future, are subject to the requirements of the revised SIR for all application process steps which have not yet commenced. Having projects subject to different rules and timelines creates unnecessary confusion and could create unforeseen conflicts regarding queue
position and retention should timelines differ between the revised SIR and prior versions. Projects following the process described in Section I.B, as well as applications following the process described in Section I.C. that have not yet made 25 percent payment (or 100 percent payment where 25 percent payment is not an option), shall retain use of Appendix A under the version of the SIR utilized when completed applications were submitted. All other projects shall utilize Appendix A under the revised version of the SIR that is issued as a result of this Request for Clarification.

In addition, there are a number of requested definitional clarifications beginning with substituting the clearer, simpler term of “Interconnection Customer” for the use of both the terms “applicant” and “generator-owner” in the Revised SIR. With the increased number of DER applications, many as a direct result of successful Commission policy initiatives such as Community Distributed Generation,13 the number of entities involved in the interconnection process has increased the need for clarification of who has the legal authority to submit an application and operate a facility. The Revised SIR uses the term “applicant” which is not defined, as well as “generator-owner” which is defined as an applicant. Because the ultimate owner or offtaker is not always known at the beginning of the project development process, terms that refer to Generator-Owner may present legal challenges to advancing projects through the interconnection application process. This clarification is particularly important for the commercial liability insurance requirements added in the Revised SIR, as it clarifies who now bears the responsibility for those costs.

In contrast, Appendix A (New York State Standardized Contract for Interconnection of New Distributed Generation Units and/or Energy Storage Systems with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems) to the Revised SIR uses the term “Interconnection Customer” which is defined as the owner of the unit. Additionally, the Federal Energy Regulatory Commission (“FERC”) Small Generator Interconnection Agreement (“SGIA”)\textsuperscript{14} uses the term “Interconnection Customer” throughout which is defined as “[a]ny entity, including the Transmission Provider, the Transmission Owner or any of the affiliates or subsidiaries of either, that proposes to interconnect its Small Generating Facility with the Transmission Provider’s Transmission System.”\textsuperscript{15} Many generators that have exported into the wholesale market are familiar with the FERC SGIA and its terminology. Therefore, the IPWG/ITWG Commenters’ proposed change to “Interconnection Customer” will provide needed consistency throughout the Revised SIR and Appendices thereto as well as with the FERC SGIA and conform to more standard industry terminology. If this definitional change is adopted, it would need to be made throughout the Revised SIR and particularly so in Sections I-III and in Appendices A-D.

The IPWG/ITWG Commenters also urge that the definition of “moratorium” be clarified to reflect the original intent of the moratorium extension, namely legal or \textit{de facto} prohibition of a solar energy project, as a result of law, law in development, or planning and zoning processes not specifically enumerated by law that would be detrimental to siting the project. There are a number of reasons for this clarification. Some municipalities, while enthusiastic about solar energy, do not have specific bylaws or ordinances in place to accept zoning applications for solar

\textsuperscript{14} See Small Generator Interconnection Agreements and Procedures, Order No. 828, 156 FERC ¶ 61,062 (2016) modifying the \textit{pro forma} Small Generator Interconnection Agreement (“SGIA”).

\textsuperscript{15} Id., SGIA, Attachment 1, Glossary of Terms, p. 2.
projects. Therefore, these municipalities are unable to enact a moratorium of the planning process if they have no process on which to place a moratorium. As such, there is a *de facto* moratorium while the municipality works to adopt a process. In another instance newly elected local officials may stop accepting zoning and permitting applications while they review the process. While not officially a moratorium, the municipality has still taken a pause and is not accepting applications during such a review. The IPWG/ITWG Commenters urge the inclusion of *de facto* moratoriums so that viable projects can continue to be built despite real hurdles in the zoning and permitting processes. The IPWG/ITWG Commenters suggest that a letter from the municipality or an attestation of a *de facto* moratorium by the municipality’s representative be deemed sufficient to prove the need for an extension.

The IPWG/ITWG Commenters also urge that the definition for “compensation rate” be clarified by substituting the term “compensation eligibility.” The latter term reflects the fact that in practice the actual rate is fluid, reflecting, for example, that customers often switch between non-demand and demand metering. Moreover, “compensation eligibility” is more in accord with the options within the VDER Value Stack compensation elements.

Finally, with respect to definitions, clarification is needed within the Revised SIR with respect to Energy Storage Systems (“ESS”). Because the Revised SIR is now applicable to ESS, not simply distributed generation (“DG”) systems, each of those sections applicable to ESS within the Revised SIR should reference ESS, particularly so in Appendix G (Preliminary Screening/Supplemental Screening Analysis).

The IPWG/ITWG Commenters also note that there is ambiguity regarding the applicability of Section I.D. Therefore, the IPWG/ITWG Commenters seek clarification that the payment and construction milestones apply only to applications greater than 50 kW and urge that
Section I.C of the Revised SIR should be updated to refer to these milestones and additionally, Appendix F (Application Package Checklist) should indicate that a signed copy of the standard contract be submitted by the applicant (i.e., Interconnection Customer) only for those applications for systems 50 kW or less.

Turning to ESS application sequencing, the Order and the Revised SIR appear to inadvertently accelerate when Protection and Control Review should occur. The IPWG/ITWG Commenters urge that this be clarified by placing Protection and Control Review after the initial review or screening, rather than after an application is deemed complete, as the Revised SIR (at p. 16) currently provides. This change would remove an undue burden on the applicant who would otherwise have to pay for Protection and Control Review for an application that they may choose not to move forward with based upon Preliminary or Supplemental Screening results. The IPWG/ITWG Commenters seek clarification that the Protection and Control Review would only be necessary upon passing the Preliminary or Supplemental Screening, and only if control or protection systems provide operating characteristic limitations. Further, if there is no charging, discharging, ramping, or other restriction on the ESS, the Protection and Control Review may be waived. In addition, Appendix K (ESS Application Requirements/System Operating Characteristics/Market Participants) of the Revised SIR does not address future changes in operating characteristics that are required to be processed in Section I.E at Step 1, as proposed in the earlier filed IPWG/ITWG Redline.

In addition, the new Appendix E (Cost Sharing for System Modifications & Cost Responsibility for Dedicated Transformer(s) and Other Safety Equipment for Net Metered Customers) of the Revised SIR does not address cost responsibility for dedicated transformers and other safety equipment for net energy metering (“NEM”) customers with non-wind DG
systems. Even though NEM is no longer available to most new non-wind interconnection applicants, there is still a need to identify the cost responsibilities.

The screening results presented in Appendix G (Preliminary Screening/Supplemental Screening Analysis) of the Revised SIR should be further clarified to address how a screen passes/fails, particularly on multi-part screens such as Screen D. The Joint Utilities provided this clarity for each screen in the Joint Utilities’ Initial Comments. For example, regarding Screen D, the separate components of line configuration and grounding require separate pass/fail criteria. Further, the question regarding phase balancing maintenance is separate from the table above it indicating line configurations. If either the line configuration/grounding or phase balancing components fail, the screen fails, per the Joint Utilities’ Initial Comments.

A concern raised by Staff during the May 10, 2018 ITWG meeting was that providing explicit pass/fail criteria would deter utilities from providing an explanation of why a screen failed. Clarity regarding how a proposed project passes or fails a given screen is independent of providing additional rationale for passing or failing a screen. But if additional rationale must support the pass/fail results, the IPWG/ITWG Commenters require clarity on the expected balance between automation and detail in order to move forward with Phase 2 of their Interconnection Online Application Portal (“IOAP”) implementation per the Order.

The Order provides that developers should control use of the 25 percent down payment, but per the IPWG/ITWG Commenters’ Initial Comments, the IPWG/ITWG Commenters agreed

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16 SIR Proceeding, Initial Comments of the Joint Utilities to the Commission’s Notice Soliciting Comments on Proposed Modifications to the Standardized Interconnection Requirements (SIR) (filed March 12, 2018) (“Joint Utilities’ Initial Comments”).
17 Id.
18 SIR Proceeding, Order, p. 27.
that providing an extension of an additional 30 business days beyond the 60 business days already allowed for the 25 percent down payment was a preferable solution. The IPWG/ITWG Commenters therefore recommend that defining the parameters regarding control of the 25 percent down payment continue to be discussed among members in IPWG meetings.

With respect to contract timing and payments upon passing Preliminary/Supplemental Screens (Step 4, Section I.C, of the Revised SIR), the IPWG/ITWG Commenters note that the Revised SIR does not address the fact that upgrades may be required even if the screens are passed. Addressing this gap is critical so that utilities know how to proceed if minor upgrades, such as a service transformer, are still required (p. 8).

Turning to final acceptance and reconciliation requirements (Step 11, Section I.C of the Revised SIR), the IPWG/ITWG Commenters recommended that for the safety and reliability of all utility customers, developers must submit as-built drawings that reflect actual field conditions. Additionally, the utilities will need to update their records with actual field conditions before completion of the application reconciliation process. While the Order did not require submission of as-built drawings as a condition of final acceptance, the IPWG/ITWG Commenters recommend continuation of the discussions of this requirement among members in the IPWG meetings and identification of a workable solution for inclusion in the SIR. In addition, the IPWG/ITWG Commenters note that the Revised SIR provides that cost reconciliation requires deduction of the application fee. The IPWG/ITWG Commenters urge that there be no deduction of the fee because tracking actual hours associated with each application during Preliminary Screening is a costly undertaking and would appear antithetical to the concept of a fixed application fee.

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20 SIR Proceeding, Revised SIR, p. 9.
Finally, with respect to clarification, the following are seemingly minor concerns but, taken as a whole, will contribute toward the overall quality and usefulness of the Revised SIR. Thus, the IPWG/ITWG Commenters urge that these changes, many of which were proposed in the IPWG/ITWG Redline,\(^{21}\) and to which no other commenters expressed objection, be accepted. The table of contents should be updated with all section names/outline numbers. In Section II, the definition of “clearing time” was apparently inadvertently removed (p. 23) and should be reinstated; the header for “Disconnect Switch” is missing (p. 27), which will shift all subsequent section header letters; the reference to harmonics was apparently inadvertently removed from the Power Quality Section (p. 28) and should be reinstated; there is a missing section header for Power Factor (p. 28) which should be reinstated; and the heading for Section L – Islanding should be “3V0” rather than “3Vo.” In Appendix A-SIR Contract, under Section XI, Miscellaneous Provisions, the numbers should begin with “11” rather than “8.” In Appendix G, Screen H, the 2.56% voltage fluctuation assumes 1 dip per minute, not 1 dip per second as currently stated. In Appendix K (ESS Application Requirements), the sequence of the outline letters requires correction.

Additionally, the following cross references within the Revised SIR are in need of updating:

- Within Section I.A, third paragraph (p. 2), change “Section II.F” to “Section II.M”
- Within Section I.B, Step 4, second paragraph (p. 5), change “Section II.A.6” to “Section II.H.6”

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\(^{21}\) The need for other non-material edits arises out of the Revised SIR.
• Within Section II.H, Subsection 4 – Inverters (p. 22), first paragraph, change “Section II.A.1” to “Section II.H.1”

• Within Section II.H, Subsection 4- Inverters (p. 23), first full paragraph on page, change “Section II.E” to “Section II.K”

Lastly, for consistency with other changes already incorporated in the Revised SIR, the following additional edits should be made:

• Within Section I.C, Step 4, last paragraph, line 3 (p. 9), change “Supplemental Analysis” to “Supplemental Screening Analysis”

• Within Section I.C, Step 4, last paragraph, line 7 (p. 9), change “Preliminary Analysis” to “Supplemental Screening Analysis”

• Within Section I.C, Step 4, subsection i, line 5 (p. 10), change “Preliminary Analysis” to “Supplemental Screening Analysis”

• Within Section I.C, Step 4, subsection ii, line 1 (p. 10), change “Supplemental Review” to “Supplemental Analysis Review”

• Within Section I.C Step 4, subsection iii, line 2 (p. 10), change “either the Initial or Supplemental Analysis” to the “Supplemental Screening Analysis”

• Within Section I.E. Step 2, fourth paragraph, line 1 (p. 16), change “technical review” to “Protection and Control Review”
III. Conclusion

For the foregoing reasons, the IPWG/ITWG Commenters urge the Commission to clarify certain elements and implement a number of minor edits to the Revised SIR to improve the overall effectiveness of the Revised SIR.

Dated: June 8, 2018

Respectfully submitted,

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