

STATUS REPORT ON SCORECARD METRICS COLLABORATIVE PROCESSES  
(filed May 1, 2017)

INTRODUCTION

On May 19, 2016, the New York State Public Service Commission (the Commission) issued an Order Adopting a Ratemaking and Utility Revenue Model Policy Framework<sup>1</sup> (May Order), which directed Department of Public Service Staff (Staff) to initiate a collaborative process to develop scorecard metrics and issue a progress report to the Commission by May 1, 2017. In its May Order, the Commission adopted a non-exclusive list of ten scorecard measures: 1) System utilization and efficiency; 2) DER penetration; 3) Time-of-use rate efficacy; 4) Market development; 5) Market-based revenues; 6) Carbon reduction; 7) Conversion of fossil-fueled end uses; 8) Customer satisfaction; 9) Customer enhancement; and 10) Affordability. Metrics for each measure are to be developed through the collaborative process.

BACKGROUND AND DISCUSSION

On December 1, 2016, the Joint Utilities made an Earnings Adjustment Mechanism (EAM) filing in compliance with the Commission's May Order. To date, Con Edison, NYSEG and RGE, O&R and Niagara Mohawk have filed detailed EAM proposals, while Central Hudson is expected to file a specific EAM proposal either as part of an upcoming rate proceeding or in a separate EAM filing (see table below for more details). Development of potential EAM metrics dovetails well with the subject of scorecard metrics because refined scorecard metrics could potentially be used as EAMs in the future. Staff is currently involved in several EAM collaborative efforts, along with utilities and other stakeholders.

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<sup>1</sup> Case 14-M-0101, Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision, Order Adopting a Ratemaking and Utility Revenue Model Policy Framework (issued May 19, 2016).

The following table shows the venue and status of the current and expected utility EAM filings.

<u>Utility</u>	<u>Venue</u>	<u>Case #</u>	<u>Collaborative Date/Timing</u>	<u>Expected Scorecard Effective Date</u>	<u>Notes</u>
Con Edison	Rate Case	16-E-0060	Late spring / early summer 2017	2018 (RY2)	RY2 outcome-based EAM collaborative
NYSEG / RGE	Rate Case Compliance	15-E-0283 and 15-E-0285	Collaborative currently ongoing	2018	Initial collaborative meeting held on 3/2/17
O&R	EAM Filing	16-M-0429	Initial collaborative meeting to be scheduled	2018	Filing made 2/13/17
Niagara Mohawk	Upcoming Rate Case	17-E-0238	Filed on 4/28/17	Mid-2018	
Central Hudson	Upcoming Rate Case or Separate EAM Filing	TBD	Expected to be filed later in 2017	Mid-2018	

#### CONCLUSION

It is Staff's intent to use the individual EAM collaborative meetings and rate case processes as the venue to also develop utility scorecard metrics for each utility and, thus, satisfy the Commission's directive to initiate a scorecard collaborative process. Staff will employ the non-exclusive list of ten scorecard measures adopted by the Commission in its May Order as a starting point in the scorecard metric discussions (see Appendix A for more detail).

## APPENDIX A

### Commission-Adopted, Non-Exclusive List of Ten Scorecard Metrics:

- System utilization and efficiency: this would encompass load factor, T&D system utilization, fuel diversity, and overall system heat rate;
- DER penetration: this would focus on the penetration of distributed generation, dynamic load management, and energy efficiency as a percentage of total utility load;
- Time-of-use rate efficacy: this would measure the rate of adoption of opt-in TOU rates, and the ability of customers to reduce their bills via these rates;
- Market development: this would track the standard indicators of market health including transparency, ease of access, settlement facilities, and dispute resolution;
- Market-based revenues: this would track the amount, and sources, of utility revenues from platform and value-added services, to reflect the degree of market uptake and the success of utilities in adjusting their business models;
- Carbon reduction: this would track the market penetration of carbon-free sources as a percentage of total load within each utility's service territory;
- Conversion of fossil-fueled end uses: this would track the adoption rates of electric vehicles and conversion of combustion appliances to high-efficiency electric appliances;
- Customer satisfaction: this would utilize existing indices that measure customer satisfaction, complaint response time, escalated complaint response time, and pending cases;
- Customer enhancement: this would be a broader index encompassing the affordability metric, customer engagement in markets, customer satisfaction, and HEFPA compliance rates. combustion appliances to high-efficiency electric appliances; and
- Affordability: oriented toward promotion of low-income customer participation in DER, and toward reduction in terminations and arrearages.