May 29, 2018

Honorable Kathleen H. Burgess
Secretary to the New York Public Service Commission
Three Empire State Plaza
Albany, NY 12223

Dear Secretary Burgess:

Please find attached Acadia Center’s proposal for rate design and net metering reform for new mass market DER customers, entitled “Simple TOU Rates with Simple Value-based TOU Export Credits.” This proposal reflects a blend of economic efficiency, understandability, and gradualism in a way that is implementable, non-discriminatory and respecting the right to self-consumption.

It should be noted that the Revised Rate Design Worksheet put forward by the Joint Utilities does not include mechanisms to incorporate elements of Acadia Center’s proposal in two different respects. First, there is no location to reflect different import rates and export credit values for delivery. Second, there is no location to specify how environmental and public health values are incorporated into export credits for new mass market DER customers. Acadia Center’s proposals on these topics are described in the most relevant sections of the Revised Rate Design Worksheet but this is worth pointing out directly here since these elements are important to the proposal.

Lastly, as noted in a May 18, 2018 letter from Department of Public Service staff clarifying the current posture of this proceeding, the Acadia Center proposal is narrowly tailored as a short-term proposal for a Mass Market NEM successor rate. Numerous other rate design reforms are necessary going forward as well. This includes reforms to the current opt-in TOU rate classes for residential and small C&I rate classes, which are used as building blocks in the Acadia Center proposal. In addition, Acadia Center strongly believes that customer charges for the residential and small C&I rate classes should be based on a discrete set of costs to connect an additional customer, notably a simple meter, billing, the service connection, and relevant customer service costs. Needed reforms for customer charges are not included in Acadia Center’s current proposal for new mass market DER customers because these reforms are needed for all customers and should be considered jointly.

Please contact me with any questions.

Sincerely,

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