

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

At a session of the Public Service  
Commission held in the City of  
Albany on January 21, 2021

COMMISSIONERS PRESENT:

John B. Rhodes, Chair  
Diane X. Burman, concurring  
James S. Alesi  
Tracey A. Edwards  
John B. Howard

CASE 20-E-0444 - Tariff filing by Consolidated Edison Company of  
New York, Inc. to Modify its Electric Tariff  
Schedule, P.S.C. No. 10 and PASNY Tariff  
Schedule No. 12, Regarding the Cost Recovery of  
the Energy Storage Program.

ORDER APPROVING TARIFF MODIFICATIONS

(Issued and Effective January 21, 2021)

BY THE COMMISSION:

BACKGROUND

The Commission's Order Establishing Energy Storage  
Goal and Deployment Policy<sup>1</sup> required Consolidated Edison of New  
York, Inc. (Con Edison or the Company) to file tariffs  
amendments to effectuate the cost recovery of the amortized  
contract costs for the procurement of at least 300 megawatts  
(MW) of scheduling and dispatch rights from qualified energy  
storage systems to be operational by December 31, 2022.

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<sup>1</sup> Case 18-E-0130, In the Matter of Energy Storage Deployment  
Program, Order Establishing Energy Storage Goal and Deployment  
Policy (issued December 13, 2018) (Energy Storage Deployment  
Order).

Pursuant to the Energy Storage Deployment Order, the Commission authorized revenue sharing of 30 percent to utility shareholders and 70 percent to ratepayers when revenues derived from the storage assets exceed contract costs on an annual basis.

To comply with the Energy Storage Deployment Order, Con Edison filed tariff amendments on April 11, 2019, to establish the recovery of all costs related to storage procurement in the Monthly Adjustment Clause (MAC) of the Electric Tariff and Other Charges and Adjustments (OTH) in the PASNY Tariff. Tariff amendments were made to Schedules for Electricity Service, P.S.C. No. 10 - Electricity (the Electric Tariff), applicable to its customers in the City of New York and the County of Westchester and for its Schedule for PASNY Delivery Service and P.S.C. No. 12 - Electricity (the PASNY Tariff), applicable to delivery by the Company of power and associated energy to Authority Public Customers under the PASNY Tariff. These tariff changes became effective on April 12, 2019. At that time, the Company also proposed to include all market revenues in a deferral until market revenues could be included in base rates in a subsequent rate case.

On September 4, 2020, the Company filed tariff amendments to revise the tariff language submitted on April 11, 2019. These tariff revisions add a definition for Net Annual Wholesale Market revenues and modify language associated with the cost sharing mechanism to provide an incentive for the utilities to maximize the wholesale revenues of the storage asset. The tariff filings had an initial effective date of January 1, 2021. Con Edison agreed to postpone the effective date of the proposed amendments to February 1, 2021, to allow for additional time for review of the proposed changes. On December 2, 2020, the Company filed supplements to implement postponements and requested a waiver of the requirements of

newspaper publication of the revisions proposed by the supplements. On December 17, 2020, the Company filed additional tariff amendments to clarify the definition of Net Annual Wholesale Market revenues. In addition, the Company also proposed to retract their proposal to put all market revenues in a deferral until included in base rates in a subsequent rate case.

#### NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking was published in the State Register on October 7, 2020 [SAPA No. 20-E-0444SP1]. The time for submission of comments pursuant to the Notice expired on December 7, 2020, and no comments were received.

#### DISCUSSION AND CONCLUSION

The Commission finds Con Edison's proposed tariff revisions to be in compliance with the Energy Storage Deployment Order. Con Edison's tariffs already provide for cost recovery of the amortized contract costs for the procurement of at least 300 MW of scheduling and dispatch rights from qualified energy storage systems to be operational by December 31, 2022. The Company's tariff amendments add a definition for Net Annual Wholesale Market revenues and modify language associated with the cost sharing mechanism to provide an incentive for the utilities to maximize the wholesale revenues of the storage asset are approved as filed as they are consistent with the Energy Storage Deployment Order and other electric utility tariffs on a statewide basis. For the tariff revisions filed on September 4, 2020, Con Edison complied with the requirements of newspaper publication and published notices of the tariff amendments in the New York Post on September 24, October 1,

October 8, and October 15, 2020. For the postponement request filed on December 2, 2020, and the tariff amendments filed on December 17, 2020, the Commission grants Con Edison's request for waivers of the requirements of newspaper publication of the tariff amendments. The Commission also grants the Company's request to retract its deferral request for all market revenues until they are included in base rates in the Company's next rate proceeding and instead implement sharing pursuant to the Energy Storage Deployment Order. By this Order, the Commission authorizes the tariff amendments listed in the Appendix to become effective on February 1, 2021.

Furthermore, the Commission directs Con Edison to file, on not less than three days' notice, annual energy storage workpapers supporting the cost recovery of energy storage contract and implementation costs beginning January 1, 2022, and annually on January 1<sup>st</sup> thereafter until directed to discontinue the filings by the Commission. The workpapers shall include calculations and verifiable links to the source documents used to arrive at the corresponding energy storage contract and implementation costs included in the Monthly Adjustment Clause line item of customer bills.

The Commission orders:

1. The tariff amendments to Consolidated Edison of New York, Inc.'s Schedule for Electricity Service, P.S.C. No. 10 - Electricity and for its Schedule for PASNY Delivery Service, P.S.C. No. 12 - Electricity listed in the Appendix are approved and shall become effective on February 1, 2021.

2. The requirements of Public Service Law §66(12)(b) and 16 NYCRR §720-8.1 as to newspaper publication of the changes proposed by Consolidated Edison of New York, Inc.'s December 2, 2020 and December 17, 2020 filings are waived.

3. Consolidated Edison of New York, Inc. is directed to file, on an annual basis, workpapers to support the cost recovery of energy storage contract and implementation costs included in the Monthly Adjustment Clause beginning January 1, 2022, and annually on January 1<sup>st</sup> thereafter until directed to discontinue the filings by the Commission. The workpapers shall include calculations and verifiable links to the source documents used to arrive at the corresponding energy storage contract and implementation costs included in the Monthly Adjustment Clause surcharge line item on customer bills.

4. In the Secretary's sole discretion, the deadlines set forth in this Order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least three days prior to the affected deadline.

5. This proceeding is closed.

By the Commission,

(SIGNED)

MICHELLE L. PHILLIPS  
Secretary

SUBJECT: Filings by CONSOLIDATED EDISON COMPANY OF NEW YORK,  
INC.

Amendment to Schedule P.S.C. No. 10 - Electricity

First Revised Leaf No. 343.2

Amendment to Schedule P.S.C. No. 12 - Electricity

Eighth Revised Leaf No. 26.3

Issued: September 4, 2020 Effective: January 1, 2021  
Postponed to February 1, 2021

Amendment to Schedule P.S.C. No. 10 - Electricity

Second Revised Leaf No. 343.2

Amendment to Schedule P.S.C. No. 12 - Electricity

Tenth Revised Leaf No. 26.3

SAPA: 20-E-0444SP1 - STATE REGISTER - October 7, 2020

NEWSPAPER PUBLICATION:

September 4, 2020 Filings: September 24, October 1, 8 and 15,  
2020. December 17, 2020 Filings: Waived.