October 9, 2018

Via Electronic Filing

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

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

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

Dear Secretary Burgess,

On June 19, 2018, the Joint Utilities (“JU”) filed a proposed model tariff for compensation of a hybrid energy storage system (“ESS”) and distributed generation systems interconnected with the three-meter configuration approved in the New York Public Service Commission’s (“Commission”) April 19, 2018 Order. As a leading developer of community solar projects in New York, Clean Energy Collective is actively pursuing integration of ESS into community solar systems, and appreciates the Commission’s attention to ensuring such hybrid systems can be efficiently interconnected and appropriately compensated. There are many potential use cases for hybrid DG-ESS, and Clean Energy Collective supports the comments of Borrego Solar Systems filed today, October 9th, on the full suite of use cases. With this letter we wish to emphasize in particular the importance of near term resolution on two seemingly non-controversial but critical issues for solar + storage systems that are designed to inject only generation from VDER-eligible technologies to the grid:

1) Hybrid DG-ESS systems that inject only generation from VDER-eligible technologies to the Grid – Options 2a and 2b under the JU Model Tariff – should be eligible for full value stack compensation, including all ICAP Alternatives

All generation from VDER-eligible technologies should be compensated at the full value stack, meaning energy value, capacity value, environmental value, and the MTC or DRV depending on subscriber rate class. In particular, hybrid DG-ESS systems injecting only VDER-eligible generation should be eligible for the same ICAP Alternatives as standard solar-only systems. While ICAP Alternatives 1-2 may not enable the project owner to capture as much value as an optimally managed hybrid system might obtain under Alternative 3, there may be reasons Alternatives 1-2 are more attractive to financing entities.
There is no reason to preclude access to ICAP Alternatives 1-2; the Commission should be seeking to provide as much flexibility as possible for companies developing DG-ESS projects to find workable financial models given the rapidly evolving technology and regulatory environment.

2) **Hybrid DG-ESS systems in which the ESS is exclusively charged by VDER-eligible technologies – Option 2a in JU Model Tariff – should only require one meter**

As currently drafted, the JU Model Tariff proposes that Option 2a should follow the multiple meter configuration in the April 19 Order. However, the facts laid out in the JU filing make it clear that two or three meters (and the associated communications channels) are not necessary for Option 2a. The Customer will be required to demonstrate that the ESS is only charged with eligible generation, the generator and ESS are behind the same Point of Common Coupling (“PCC”), and the relevant injections into the grid for determining VDER compensation are measured at the PCC. Therefore, all energy injected at the PCC will be eligible clean energy, and any transfer of energy to or from the ESS behind the PCC does not need to be quantified separately. The Commission should clarify its previous Order and specify that only one meter is needed in Option 2a, eliminating the additional cost and complexity that would come from communicating and tracking data from unnecessary meters for the lifetimes of such hybrid projects. This is especially clear in cases where the ESS and generator are behind the same inverter(s) and two meters would be completely duplicative. We do not disagree with the efforts of the ITWG, JU, and others to identify a three meter solution that is capable of properly measuring generation and thus compensation for a wide variety of hybrid-ESS configurations – we simply believe that the further effort undertaken by the JU in their filing makes it clear that Option 2a can be managed in a much simpler fashion.

We appreciate your consideration of these issues and urge the Commission to direct the utilities to expeditiously incorporate clear resolution on these two specific issues into their next tariff revisions.

Hannah Muller
VP, Policy & Regulatory Affairs
Clean Energy Collective