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John B. Rhodes, Chair

Contact:
John Chirlin | John.Chirlin@dps.ny.gov | (518) 474-7080
http://www.dps.ny.gov
http://twitter.com/NYSDPS

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PSC Promotes Clean Energy Deployment With Significant Improvements to Standby and Buyback Service Rates

Stronger Price Signals Will Hasten Progress to Meet the State's Clean Energy and Carbon Goals to Combat Climate Change

Encourages Efficient Grid Utilization and Peak Demand Reductions

Enhances Ability of Consumers to Manage Usage and Bills

ALBANY —The New York State Public Service Commission (Commission) took another step to promote clean distributed energy resources and enable clean energy consumers to manage usage and bills as it reorients the electric industry toward a consumer-centered approach that harnesses technology and competitive markets. Today's decision improves alignment between standby rates and system costs to avoid over- or undercharging customers, which will in turn both promote further clean-energy deployment. Moreover, customers with a variety of these resources, including electric cars and heat pumps, will be empowered to choose a rate that enables them to reduce their costs by using energy at times of low demand.

"Distributed clean energy resources are critical to building an energy system that will provide 70 percent clean and renewable energy in New York by 2030, as put forward by Governor Cuomo's Green New Deal," **said Commission Chair John B. Rhodes**. "To sustain our progress, we must continue to compensate utilities, energy developers and consumers for investment decisions for the full value that their clean energy investments provide to our electric system. More accurate pricing will provide customers with the increased ability to manage their bills"

Customers with DERs reduce the amount of electricity flowing through the grid but continue to rely on the availability of the grid. If their bills decrease to reflect their reduced usage, without an element that reflects the continued need for availability, costs caused by those customers would be shifted to other ratepayers. In addition, where excess generation from the DER is sold directly to the utility, that may impose similar grid availability costs. Refined price signals and compensation structures that reward investments that improve overall system efficiency, such as managing loads to reduce peak demand is fundamental to REV.

Distributed energy resources, or DER, are state-of-the-art technologies that generate or manage the demand of electricity at different points of the grid, such as at homes and businesses, instead of centralized exclusively at power plants. These resources can include solar, wind, combined heat and power, electricity storage, electric vehicles and anaerobic digesters. As such, they are typically smaller in scale than the traditional power plants.

Today's action represents another step to meet the Commission's commitment to compensate all DER in a technologically-neutral, value-focused manner and is the result of continued stakeholder engagement, including the input of environmental advocates, utilities, solar and DER providers, and consumer advocates.

In December, Department of Public Service staff issued a white paper that was the result of vigorous public input and stakeholder engagement. Today's order reflects feedback that was received. Incorporating those findings, the Commission today made several significant improvements to its policies, including:

- Eliminating or reducing of barriers to the deployment of DERs;
- Requiring utilities to submit demand-based rates for residential and small commercial customers and allowing all customers to voluntarily opt in to their respective standby rate option regardless of whether they have an on-site DER, thereby enabling all customers to potentially benefit from a rate design that produces an improved alignment between a customers' contributions to system costs and the rates they pay;
- Strengthening the price signals provided by standby service rates through requiring more granularity based on location and customer-specific Installed Capacity (ICAP) charges;
- Improving the accuracy and consistency of cost allocations underlying the Standby Service rates; and
- Clarifying the application of grid access demand charges for energy storage systems to further promote energy storage development which will enhance efficiency of the electric grid to better integrate renewable resources. Importantly, energy storage will also enable these resources to meet periods of peak demand.

With these refinements, customers will have an increased ability to manage their bills and those bills will more accurately reflect the impacts on the system associated with their usage. Finally, more customers will have the opportunity to take advantage of these more precise price signals through expanded availability of these rates.

Today's decision may be obtained by going to the Commission Documents section of the Commission's Web site at www.dps.ny.gov and entering Case Number 15-E-0751 in the input box labeled "Search for Case/Matter Number". Many libraries offer free Internet access. Commission documents may also be obtained from the Commission's Files Office, 14th floor, Three Empire State Plaza, Albany, NY 12223 (518-474-2500). If you have difficulty understanding English, please call us at 1-800-342-3377 for free language assistance services regarding this press release.

New York State's Green New Deal
Governor Andrew M. Cuomo's Green New Deal, the nation's leading clean energy and jobs agenda, will aggressively put New York State on a path to economy-wide carbon neutrality. This initiative will

provide for a just transition to clean energy, spurring the growth of the green economy and mandating New York's power be 100 percent clean and carbon-free by 2040, one of the most aggressive goals in the U.S. The cornerstone of this newly proposed mandate is a significant increase of New York's successful Clean Energy Standard to 70 percent renewable electricity by 2030. As part of the unprecedented ramp-up of renewable energy, New York has already invested $2.9 billion into 46 large-scale renewable projects across the state as it significantly increases its clean energy targets, such as: quadrupling New York's offshore wind target to a nation-leading 9,000 megawatts by 2035; doubling distributed solar deployment to 6,000 megawatts by 2025; and deploying 3,000 megawatts of energy storage by 2030. To support this ambitious work, NY Green Bank intends to use its expertise in overcoming financing gaps to foster greater environmental impacts per public dollar by raising over $1 billion in third party funds to expand climate financing availability across New York and the rest of North America.

Reforming the Energy Vision
The Green New Deal builds on Governor Andrew M. Cuomo's landmark Reforming the Energy Vision strategy to lead on climate change and grow New York's economy. REV is building a cleaner, more resilient and affordable energy system for all New Yorkers by stimulating investment in clean technologies like solar, wind, and energy efficiency. Already, REV has driven growth of nearly 1,500 percent in the statewide solar market, improved energy affordability for 1.65 million low-income customers, and has led to more than 150,000 jobs in manufacturing, engineering, and other clean tech sectors across New York State.

To learn more about the Green New Deal and REV, visit rev.ny.gov, follow us on Twitter, Facebook, and LinkedIn.

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