Date: February 6, 2012

Hon. Jaclyn A. Brilling  
Secretary to the Commission  
New York State Public Service Commission  
Agency Building 3, Empire State Plaza  
Albany, NY 12223-1350

Re: Case 09-E-0115 Con Edison Tariff Filing on DR issues

Dear Secretary Brilling:

Integrated Energy Concepts Engineering, P.C. is an active party in the above captioned case, and we offer these comments in response to the Con Ed’s recent November 17, 2011 tariff filing modifying its demand response (DR) programs.

1.) The Commission should continue to support Distributed Generation Development in New York

Integrated Energy Concepts Engineering, P.C. supports Distributed Generation (“DG”) and is particularly concerned with maintaining and enhancing the viability of DG in New York City. The benefits of DG are well known. New York’s energy policy recognizes the important contribution of DG systems to “energy and cost reductions, improved energy security and reliability and reductions in air emissions.”1 Moreover, the New York Energy Research and Development Authority (“NYSERDA”) recently was tasked by the Commission to continue its successful CHP Demonstration Programs to be administered under the fourth phase of the system benefits Charge.2

Given the recognized benefits above, the Commission must diligently guard against the introduction of new barriers and disincentives that undermine existing plants or discourage investment in new DG plants. The Con Edison Tariff filing includes the imposition of such barriers and disincentives and thus presents an opportunity for the Commission to emphasize the importance of DG by rejecting these barriers and disincentives.

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1 2009 State Energy Plan, Volume 1 (December, 2009) at 28  
2 Cases 10-M-0457 and 05-M-0090
2.) The Con Edison Customer Base Load (CBL) method should not be used for base loaded distributed generators (DGs).

The CBL method effectively prevents reliable, secure, clean base loaded DGs from receiving payments under Riders U and S. It is obvious that a reliable, secure and clean base loaded plant that continues to run at the same level before and during a load relief event provides no incremental load relief on the local network. It is equally obvious that these reliable, secure and clean DGs would exacerbate the high load emergency condition by shutting down during those events.

DG owners have no obligation to run at any time, and in fact pay a separate contract demand charge specifically for the assurance that their loads can be served all hours of the year by Con Ed under RA SC14. Con Ed must maintain adequate capacity at every level to support that. To the extent that a local network requires load relief, the Company should pay all local resources that provide that relief, and pay all participating DGs an equivalent payment to require them to continue operating. Alternately, if the Commission determines that DGs cannot effectively participate in Riders U or S, it should recognize that, on those networks for which Riders U and/or S apply, Con Edison cannot meet its obligation to provide standby service in some hours. In that circumstance the Company is not meeting their service obligation, so it should forgive the SC14 contract demand charge for customers on those networks that have a need for relief.

3.) The participation of SC 11 customers should be allowed.

Con Ed has filed revisions excluding participation of Riders U and S load relief programs by DGs that export energy to the grid and all SC11 customers. This should be rejected.

Rider U events are called when part(s) of the Con Ed system are approaching Condition Yellow or Voltage Reduction of at least 5%. Load relief evaluation solely based on immediate grid load reduction appears myopic. We are not aware of any local network failures of any magnitude that did not involve the failure of multiple feeders to the network. Typically, networks fail as feeders become overloaded and each feeder’s failure increases the load on the remaining feeders. Approved synchronous and Inverter based DG’s do not negatively impact loading on circuits. Synchronous and inverter based DG’s that export directly to the local network perform the same function as feeders and the loss of export from those DG’s increases the load on the system feeders in the same way as any other supply failure. The company has provided no basis to exclude these resources. Therefore, we suggest that Con Edison include those customers who have the ability to export power as eligible for Riders U.

Rider S events are called when the day-ahead forecasted load level is at least 96 percent of the forecasted summer system-wide peak. There is considerable value to adding additional power to the grid under such conditions. . Approved
synchronous and Inverter based DG’s do not negatively impact loading on circuits. Synchronous and inverter based DG’s that export directly to the local network perform the same function as feeders and the availability of export from those DG’ customers provide a benefit to the system. The Company has provided no basis to exclude these resources. Although export was not included in 2011’s Rider S provisions, we believe that it should be included in the 2012 Tariff.

In both Rider U and S, it appears that the Company has not considered a customer that both imports and exports power depending upon time of day, availability of DG resources, and incentives. The Commission should encourage those customers that have an SC 11 connection to be eligible to be compensated to reduce load in the Rider U and S programs. We suggest that all SC 11 customers be eligible for participation in Rider U and Rider S.

Thank you for the opportunity to offer these comments.

Sincerely,

William H. Cristofaro, P.E.