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April 15, 2020

VIA ELECTRONIC MAIL

Hon. Michelle L. Phillips
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

RE: Case Number 14-E-0423 – Proceeding on Motion of the Commission to Develop Dynamic Load Management Programs

Dear Secretary Phillips:

Advanced Energy Management Alliance (AEMA) together with Blueprint Power Technologies, Inc., COI Energy Services, Inc., Cutone & Company Consultants, LLC, David Energy Systems, Inc., Enel X North America, Energy Spectrum, Inc., Energy Technology Savings, Inc. DBA Logical Buildings, Enerwise Global Technologies, Inc. d/b/a CPower, NuEnergen, LLC, UtiliSave, LLC, Viridity Energy Solutions Inc., and Voltus, Inc. are commenting on the impacts the COVID-19 pandemic is having on demand response in NY State in above referenced Case Number. The attached document includes a summary and explanation of our recommendations.

We appreciate your consideration of these comments. Please do not hesitate to contact me at 202-524-8832 should you have any questions or require additional information regarding this filing.

Respectfully submitted,

Katherine Hamilton

Katherine Hamilton
Executive Director, AEMA

Cc: Parties to Case

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF NEW YORK

Proceeding on Motion of the Commission	**)**	**Case 14-E-0423**
to Develop Dynamic Load Management	**)**	
Programs	**)**	

Comments of Advanced Energy Management Alliance, Blueprint Power Technologies, Inc., COI Energy Services, Inc., Cutone & Company Consultants, LLC, David Energy Systems, Inc., Enel X North America, Energy Spectrum, Inc, Energy Technology Savings, Inc. DBA Logical Buildings, Enerwise Global Technologies, Inc. d/b/a CPower, NuEnergen, LLC, UtiliSave, LLC, Viridity Energy Solutions Inc., and Voltus, Inc. on COVID-19 Impacts on Demand Response Industry

Pursuant to the Letter from Chair Rhodes "Regarding Industry Impacts and Demand Response Stakeholder Impact Session"[1] and notice contained therein requesting written comments issued April 3, 2020 by New York State Public Service Commission ("PSC" or "Commission"), Advanced Energy Management Alliance ("AEMA"),[2] Blueprint Power Technologies, Inc., COI Energy Services, Inc., Cutone & Company

[1] Case 14-E-0423, Letter from Chair Rhodes Regarding Industry Impacts and Demand Response Stakeholder Impact Session, (April 3, 2020), http://documents.dps.ny.gov/public/Common/ViewDoc.aspx?DocRefId={8CC87CA8-8347-4A13-A1AE-D3F9D504ECD6}

[2] AEMA is an alliance of providers and supporters of distributed energy resources united to overcome barriers to nationwide use of distributed energy resources, including demand response and advanced energy management, for an environmentally preferable and more reliable grid. We advocate for policies that empower and compensate customers to manage their energy usage to make the electric grid more efficient, more reliable, more environmentally friendly, and less expensive. These comments do not necessarily reflect the views of all AEMA members.

Consultants, LLC, David Energy Systems, Inc., Enel X North America, Energy Spectrum, Inc., Energy Technology Savings, Inc. DBA Logical Buildings, Enerwise Global Technologies, Inc. d/b/a CPower, NuEnergen, LLC, UtiliSave, LLC, Viridity Energy Solutions Inc., and Voltus, Inc. (herein referred to as "Joint DR Providers" or "we") respectfully submit the following comments in Case 14-E-0423.

I. Introduction

AEMA is a trade association under Section 501(c)(6) of the Federal tax code whose members include national distributed energy resource ("DER"), demand response ("DR"), and advanced energy management service and technology providers, as well as some of the nation's largest consumer resources, who support advanced energy management solutions due to the electricity cost savings those solutions provide to their businesses.

II. General Comments on COVID-19 Pandemic

The Joint DR Providers appreciate the leadership that Governor Cuomo, the PSC, and the New York State Energy Research and Development Authority ("NYSERDA"), have provided during the Novel Coronavirus Disease ("COVID-19") pandemic. We are grateful to the Cuomo Administration and the PSC for supporting the clean energy industry through these unprecedented times, and for soliciting feedback to sustain the industry and to ensure future growth as the pandemic subsides.

While DR's contributions to strengthening reliability and reducing system costs are well-recognized, the direct benefits that DR provides to local economies are less recognized. DR providers across New York send tens of millions of dollars in checks each year to thousands of businesses and organizations that participate in DR. Given the recent economic downturn, these payments will become increasingly important during the 2020 season and underscores the importance of making necessary changes to DR programs for this season.

On April 9, 2020, the New York State Department of Public Service ("DPS") staff held a stakeholder impact session for DR Providers and interested market participants ("Stakeholder Session") that was attended by PSC Chair Rhodes, as well as key staff from New York State Department of Public Service ("DPS"), NYSERDA, New York Independent System Operator, Inc. ("NYISO"), each of the investor-owned utilities[3] and Long Island Power Authority and PSEG Long Island. Participants had the opportunity to discuss issues and concerns relating to the NY Utilities' Dynamic Load Management ("DLM") programs and NYISO's Installed Capacity ("ICAP") Special Case Resources ("SCR") and other DR programs and solutions to address them. In the comments below, the Joint DR Providers expand upon the positions they raised during the April 9 meeting and share their consensus position.

III. Customer Load Impacts and Summer 2020 DR Participation Issues

The impacts of COVID-19 and the resulting directives from Governor Cuomo and various New York State agencies[4] to close all non-essential businesses and have all New

[3] Investor-owned utilities include: Central Hudson Gas and Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange & Rockland Utilities, Inc., and Rochester Gas & Electric Corporation which, together with Long Island Power Authority and PSEG Long Island, are herein referred to as the "NY Utilities".

[4] *See* Executive Order No. 202, *Declaring a Disaster Emergency in the State of New York* (March 7, 2020); Executive Order 202.6, *Continuing Temporary Suspension and Modification of Laws Relating to the Disaster Emergency* (March 20, 2020); Executive Order No. 202.8, *Continuing Temporary Suspension and Modification of Laws Relating to the Disaster Emergency* (March 20, 2020); Press Release, *Governor Cuomo Signs the 'New York State on PAUSE' Executive Order* (March 20, 2020), available at

York residents shelter in place to help prevent the spread of the virus have caused significant changes in customers' electric consumption across New York. A recent analysis released by the NYISO shows that average energy use has decreased by 8%, average hourly system demands in Zone J have been 2-18% lower than typical demand levels, and 1-12% lower NYCA-wide over the study period from March 30, 2020 through April 3, 2020.[5] Commercial loads have decreased significantly while residential energy use during the daytime hours has offset some of the reduced commercial demand on the grid.

Changes in electric demand and consumption patterns stemming from COVID-19 have created uncertainty and challenges for DR providers, DR program administrators, and grid operations staff. While businesses that have been deemed essential are still open and operational, many have changed staffing levels to help comply with social distancing recommendations, and non-essential employees are working from home, potentially impacting the ability of DR program participants to respond to DR program dispatches. Essential businesses may still have similar electric demand and consumption patterns, however, they may not have load flexibility to respond to DR events as their products are necessary to help combat the spread of COVID-19 or provide essential products and services. For businesses deemed non-essential, customers have completely shut down or are operating at minimal levels and do not have load available to be reduced.

https://www.governor.ny.gov/news/governor-cuomo-signs-new-york-state-pause-executive-order#top; Empire State Development guidance on Implementing the Executive Order and businesses designated as essential functions: https://esd.ny.gov/guidance-executive-order-2026 (herein referred to as "COVID-19 Directives").

[5] *See* NYISO Press Release – NYISO Details COVID-19 Demand Impacts (April 9, 2020) https://www.nyiso.com/-/press-release-7c-nyiso-details-covid-19-demand-impacts

Customer staffing changes have made it difficult for DR providers to contact customers and meet DR program enrollment deadlines. Key customer personnel are often unavailable to discuss load curtailment plans, sign contracts, or deal with other DR-related issues while their focus is understandably directed on more pressing issues concerning their business in light of the pandemic. This has caused some customers to not be able to be enrolled through missed enrollment deadlines, and uncertainty around load levels and capabilities, leading some customers to decide to not enroll or enroll at much more conservative levels than they otherwise would under normal operations.

Work by the NY Utilities to install new interval meters to support DR enrollments or work to install or repair communication equipment (phone lines, internet, etc.) has been halted in many cases as the work has been deemed non-essential and cannot be completed at this time. The NY Utilities' DLM programs generally require interval meters to be installed and communicating prior to approving customer enrollments, and these delays are preventing some enrollments from being accepted. In some cases where meters have been installed that are capable of recording data and transmitting it once communications have been established or otherwise could be read manually, customer enrollments are being held in pending status or rejected, and customers are missing out on the revenues that would otherwise be available to them.

In Section V, we share our recommendations to address each of the challenges highlighted above.

IV. Impacts to DR Program Administrators (NY Utilities and NYISO)

The Joint DR Providers understand that the NY Utilities' DLM programs and the NYISO's DR programs serve a critical component of ensuring the reliability of the transmission and distribution systems in NY. Ensuring that the DR resources capable of providing the necessary services to support grid reliability are available at their enrolled levels and able to respond to directives from the applicable DR program administrator are of paramount concern. The recommendations provided herein were developed with these concerns as a primary consideration and are designed to help ensure that program administrators have accurate information regarding available load relief as participants' business operations are in flux, while limiting negative impacts to the businesses that are providing these critical services.

V. Suggested Improvements for Utilities and DLM Programs

The Joint DR Providers respectfully submit the following recommendations to the Commission for consideration and expedited adoption. These recommendations would a) provide necessary flexibility to customers to ensure that the current uncertainty does not eliminate their ability to participate in DR over the summer when the resource may be needed most, and b) allow for greater certainty of the load relief available to utilities, and allow for flexibility of DR providers to ensure customers that are able to participate in the DLM programs have the option available to do so. These recommendations are intended to be temporary in nature for the 2020 DLM capability period.

1. Allow for additional DLM enrollment deadlines

Due to the issues described above with contacting prospective DLM program participants, the Joint DR Providers *recommend that utility DLM programs be* *updated to allow for new enrollments to be submitted for program starts in July, August, and September in the 2020 capability period*. Obviously, payments would only be made up to the amount of the registered and delivered MW for a certain month. It should be noted that the NYISO SCR program rules allow new resources enroll and begin participating in any month of a capability period.

2. Allow for adjustments of DLM enrollment values monthly

For the 2020 season, we *recommend that the utility DLM programs allow for intra-seasonal enrollment changes to the committed load relief values of all program participants on a monthly basis*. If adopted, this change will serve to allow customers to adjust their program commitments to reflect their load relief capabilities based upon their expected operation levels throughout the season. For example, a non-essential customer may not have load to reduce in May but could very well have significant load to reduce during a July or August heat wave. Without the ability to adjust intra-season, NY utilities would not have access to dispatch these MW when they need it most. This will also help to provide greater certainty to the utilities on the amount of load relief they can rely upon when system conditions warrant the dispatch of the DLM programs. This would be similar in nature to the NYISO SCR program rules that allow resources to adjust enrollment values in any month of a capability period.

3. Hold DLM program testing until COVID-19 Directives are removed

We *recommend that the Commission direct utilities to hold off on administering DLM program tests until later in the capability period, preferably in July or*

August, and to only administer tests if performance in an actual event has not already been observed. Waiting until later in the summer would recognize that many customers will miss weeks or months of production or normal business operation and asking them to test just when they are returning to normal levels would be disruptive to the state economy. Of course, if conditions warrant a utility dispatching an actual reliability or peak shaving event earlier in the 2020 season, the utility should dispatch it. But testing should not be done until later in the summer.

4. Waive minimum 25% performance factor

We *recommend that the Commission direct the utilities to waive the minimum 25% performance factor required to be achieved in order to be eligible to receive Reservation Payments*. While DR Providers will make every effort to accurately enroll customers, there needs to be recognition of the uncertainty of these times, and that customer capabilities may be less predictable than normal. In general we think the minimum 25% performance factor is a perfectly reasonable rule, but for this summer, it is appropriate to waive. Customers' load relief capabilities are uncertain at this time, and based upon the DLM CBL methodologies in place, if events or tests are called while customers' operations have significantly changed due to COVID-19 Directives, customers that are generally able to provide load relief should not be penalized for having reduced load. DLM participants should instead be paid based upon the load relief of which they are currently capable.

5. Allow enrollments with pending meter communications work to be approved for participation

For safety and program participation purposes, we *recommend that utilities allow enrollments to be approved where meter communications equipment is not yet installed and operational due to COVID-19 Directives*. Meter data can be provided through storage in the metering device and downloaded once communications can be established or obtained by manual meter reads, if necessary. It is not worth sending a technician into a building and risking in-person contact or prohibiting an interested customer from participating if settlements for DR can still be completed accurately through other means.

To be clear, we typically take no issue with these requirements, but believe that these changes are warranted for the 2020 season. Following the 2020 season, we would expect that there wouldn't be issues with metering installations, and the requirements could resume as soon as it is practical to resume installations.

6. Allow third-party or customer-owned metering data in place of utility interval metering

We *recommend that, in instances where utility interval or AMI metering equipment or communications are delayed due to COVID-19 Directives, that third-party or customer-owned metering that can provide hourly interval data and meet revenue grade metering requirements be allowed for submission and use in calculating baselines and performance for the DLM programs*. This is currently an accepted practice within Con Edison's Gas DR pilot program[6] and could easily be leveraged to allow utility metering delays from preventing or delaying participation of willing participants.

VI. NYSERDA

The Joint DR Providers recommend that NYSERDA re-institute the Demand Management Program ("DMP") incentive programs state-wide for 2020 only as a means to help stimulate the New York economy and facilitate increased DR participation in the DLM programs in future program years. The DMP has been successful during its five-year tenure prior to its termination in 2019 to help fund projects and technologies to increase DR program participation. If implemented, the DMP incentives will complement NYSERDA's Market Acceleration Bridge Incentives for energy storage technologies by helping to facilitate new and expanded DR technology and participation potential in the DLM programs. We support that this program be limited to stimulate short term economic activity in the DR segment.

VII. Issues with NYISO DR Programs

The Joint DR Providers understand that the NYISO is not regulated by the PSC and is instead regulated by the Federal Energy Regulatory Commission ("FERC"). However, there are program rules that could negatively impact the participation of customers in the SCR program that would likely require a request from the NYISO to FERC of a tariff waiver and would need to gain consensus through the NYISO's

[6] *See* "Con Edison Performance-Based Gas Demand Response Pilot Guidelines" for the 2019/20 Capability Period (updated August 26, 2019) at pp. 19-20, available at: https://www.coned.com/-/media/files/coned/documents/save-energy-money/rebates-incentives-tax-credits/smart-usage-rewards/gas-demand-response-pilot-guidelines.pdf

stakeholder working group process. These issues include potential for penalties that are assessed resulting from reductions of an SCR's load below 70% of the effective Average Coincident Load ("ACL"), and potential reductions of ACLs in future Capability Periods that would be suppressed due to operational changes stemming from COVID-19 Directives. That said, we wish to highlight issues concerning utility data access that the PSC could assist in helping the DR industry to address.

Many Responsible Interface Parties ("RIPs") (NYISO's terminology for DR aggregators representing SCRs in the ICAP market) rely on utility interval meter data for providing performance and settlement data in support of SCRs. RIPs have experienced challenges in obtaining pertinent customer data required to support enrollment of SCRs with the NYISO and in accessing meter data to develop ACLs. If the consequences of the pandemic persists, we anticipate problems obtaining meter data in a timely manner so as to meet the NYISO's data submission deadlines as delineated in the NYISO ICAP Event Calendar.[7] As noted above for NY Utilities' DLM program issues, the issue of delays in getting interval or AMI meter installations completed, or work to troubleshoot communications to ensure meters are reporting properly, is causing delays and the inability to enroll new SCRs.

We recommend that the PSC work with all NY Utilities to ensure that timely access to customer data by DR providers to support NYISO DR program participation is maintained. Moreover, it may be necessary for the PSC to advocate at NYISO to reform its ACL methodology if loads continue to be down over Summer 2020. We wouldn't

[7] See NYISO ICAP Event Calendar for pertinent deadlines associated with SCR data submission. http://icap.nyiso.com/ucap/public/evt_calendar_display.do

want to restrict a customer's ability to participate in 2021 just for following COVID-19 Directives.

VIII. Conclusion

The Joint DR Providers thanks the Commission for their consideration of these comments. DR is an important resource to ensure the reliability of the electric grid, and the recommendations discussed herein will help to ensure that these programs continue to provide value to grid operators and ratepayers throughout the COVID-19 pandemic and on into the future. We welcome any discussion or questions, and encourage you to contact Katherine Hamilton, Executive Director of AEMA, at 202-524-8832 or Katherine@aem-alliance.org should you wish to meet with the Joint DR Providers.

Respectfully Submitted,

Katherine Hamilton

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