STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

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

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

REPLY COMMENTS OF THE JOINT UTILITIES

I. Introduction

In response to the Public Service Commission’s (“Commission”) Notice Soliciting Comments on the Proposed Modifications to the New York State Standardized Interconnection Requirements (SIR)(“Notice”), Consolidated Edison Company of New York, Inc. (“Con Edison”), Central Hudson Gas and Electric Corporation, Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”), New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation (collectively, the “Joint Utilities”) file these reply comments solely in response to the Initial Comments of the City of New York on the Proposed Modifications to the Standardized Interconnection Requirements (“City Comments”). The City of New York (“City”) generally supports the Department of Public Service Staff (“Staff”) proposed modifications of the SIR (“Proposed SIR”), but also urges the Commission to (1) hold utilities accountable for failure to comply with SIR deadlines,

1 Cases 18-0018 et al., In the Matter of Proposed Amendments to the New York State Standardized Interconnection Requirements (SIRs) for Small Distributed Generators (“Amended SIR Proceeding”), Notice Soliciting Comments on the Proposed Modifications to the Standardized Interconnection Requirements (SIR)(issued January 11, 2018)(“Notice”). The Notice provides for the filing of reply comments by March 26, 2018.
2 Amended SIR Proceeding, Initial Comments of the City of New York on the Proposed Modifications to the Standardized Interconnection Requirements (filed March 12, 2018)(“City Comments”).
(2) provide symmetrical insurance requirements for utilities and distributed generator ("DG")
owners, (3) increase flexibility for utility coordination with municipal interconnection customers,
and (4) authorize developers to submit project documents through means other than the
Interconnection Online Application Portal ("IOAP") under certain circumstances.3

Under the aegis of Staff and the New York State Energy Research and Development
Authority, all participants in the Interconnection Policy Working Group ("IPWG") and the Interconnection Technical Working Group ("ITWG"), including the Joint Utilities, have worked
together to improve the SIR.4 As part of that effort, the Joint Utilities worked with other
stakeholders to file consensus comments as the IPWG/ITWG Commenters’ SIR Redlines and to
respond to the Notice’s questions.5 For the reasons set forth below, the Commission should
decline to adopt the City’s suggestions and adopt the IPWG/ITWG Commenters’ SIR Redlines
and the Joint Utilities’ Redlines of Appendix G (Preliminary and Supplemental Screening
Analysis).6

II. There Is No Reason Now for the Commission to Revisit Positive-only
Interconnection Metrics

The City claims that the SIR would be more equitable to interconnection customers if
there were utility penalties for failure to meet SIR deadlines.7 In making this claim, the City
acknowledges that it has “no reason to believe that the utilities are not acting in good faith with
respect to the interconnection process” and describes the basis for relief as only the “potential for

3 Id., p. 2.
4 The City participates in the IPWG.
5 Amended SIR Proceeding, Initial Comments of the IPWG/ITWG Commenters to the Commission’s Notice
Soliciting Comments on Proposed Modifications to the Standardized Interconnection Requirements (SIR)
(“IPWG/ITWG Commenters’ SIR Redlines”) (filed March 12, 2018).
6 Amended SIR Proceeding, Amended Cover Letter to Secretary Kathleen H. Burgess from the Joint Utilities and
Joint Utilities Tracked Response to Appendix G of the New York State Standardized Interconnection Requirements
and Application Process for New Distributed Generators and Energy Storage Systems with Alternating Current
7 Amended SIR Proceeding, City Comments, p. 4.
inequitable outcomes.’’ The City further notes that Earnings Adjustment Mechanisms (‘‘EAMs’’) for DG Interconnection (‘‘IEAMs’’) currently provide utilities only positive incentives.9

The Commission determined in the Reforming the Energy Vision (‘‘REV’’) Proceeding10 that IEAMs should provide utilities only positive incentives although some stakeholders had urged the Commission to include penalties.11 In rejecting a negative component to the IEAM, the Commission specifically identified the difficulty in establishing fault when an application is not processed in a timely way.12 Thus, the Commission instead directed that IEAMs to ‘‘encourage cooperation and efficient pre-application consultations to avoid problems and backlogs in later stages of the process.’’13 The Commission declined to ‘‘rule out the potential for negative adjustments’’ but indicated that they would be imposed only on a case-by-case basis, observing that negative adjustments should ‘‘generally be reserved for exceptional cases of inadequate effort or performance.’’14 Finally, the Commission directed that IEAMs should be considered in individual utility proceedings.15

Consistent with the Commission’s direction, Con Edison’s IEAM was adopted in its last electric rate plan and further developed in a post-rate case collaborative. The City actively participated in both the rate case proposal and the collaborative (Con Edison notes that the City did not object to a positive-only incentive in the rate case). The IEAM measures Con Edison’s

8 Id., p. 5.
9 Id., p. 6.
11 Id., p. 86.
12 Id., p. 86.
13 Id.
14 Id., p. 87.
15 Id.
success in meeting timelines, which the Commission established as a threshold condition for incentive eligibility,\textsuperscript{16} and customer satisfaction.\textsuperscript{17} National Grid’s IEAM was similarly adopted in its most recent rate case.\textsuperscript{18} The IEAM will measure DG developer satisfaction with targets for this metric to be developed in Case 16-M-0429.\textsuperscript{19} The other utilities are developing their IEAMs within their individual electric rate cases, as the Commission directed.

The Commission’s reasoning for rejecting penalties on a generic basis continues to apply. Moreover, the utility-by-utility approach for implementing IEAMs is still in its initial stages. The City has not presented a persuasive reason for the Commission to change course at this early stage in the development of IEAMS. Instead, the Commission should allow itself and the utilities time to gain experience implementing the IEAMs before the Commission reconsiders its judgments in the REV Proceeding.

In addition, the 100 percent timeliness requirement for earning an incentive already provides utilities with a significant incentive to meet the timeliness requirements of the SIR. If a utility fails to satisfy this threshold requirement, it is not eligible for incentives. Given this consequence, no additional penalties for failure to meet deadlines are required. Finally, to the extent that the Commission believes that this issue requires further consideration, it can and should address it in individual rate proceedings and reject the City’s proposal to address it in this proceeding.


\textsuperscript{17} Cases 16-E-0060 \textit{et al., Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service, Order Approving Electric and Gas Rate Plans (issued January 25, 2017).

\textsuperscript{18} Cases 17-E-0238 \textit{et al.}, Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Niagara Mohawk Power Corporation d/b/a/ National Grid for Electric Service, Joint Proposal and Establishing Electric and Gas Rate Plans (issued March 15, 2018).

\textsuperscript{19} Earnings Adjustment Mechanism Proceeding.
III. There Is No Basis for Reciprocal Insurance Requirements in the SIR

The City argues for reciprocity of SIR insurance requirements and seeks acceptance of self-insurance upon adequate demonstration of the ability to provide.\(^{20}\) The Joint Utilities urge the Commission to favorably consider the IPWG/ITWG Commenters’ SIR Redlines, at Appendix A, entitled *New York State Standardized Contract for Interconnection of New Distributed Generation Units and/or Energy Storage Systems with Capacity of 5 MW or Less Connected in Parallel with Utility Distribution Systems*, and specifically Section 7 therein, that the City could not have seen before filing its comments. Despite certain differing interests and points of view, the IPWG/ITWG Commenters reached consensus on insurance requirements for specified interconnection customers in the IPWG/ITWG Commenters’ SIR Redlines.\(^{21}\) In so doing, the IPWG/ITWG Commenters included recognition of customers with self-insurance.\(^{22}\) The Joint Utilities respectfully submit that the Commission is more appropriately guided by the IPWG/ITWG Commenters’ SIR Redlines than the City’s suggestion of reciprocity.

IV. There Is No Basis for Additional Modifications beyond What Is Proposed in the IPWG/ITWG Commenters’ SIR Redlines to Allow for Flexibility to Municipalities

The City asks that the SIR provide for flexibility between utilities and municipal interconnection customers to more easily integrate DG and better align construction payment timelines.\(^{23}\) In so doing, the City appears to ask the Commission to reject the “standardized” quality of the SIR in favor of special treatment for a particular group of interconnection

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\(^{20}\) Amended SIR Proceeding, City Comments, pp. 6-7.

\(^{21}\) Amended SIR Proceeding, IPWG/ITWG Commenters’ SIR Redlines, pp. 58-60.

\(^{22}\) Id., p. 60.

\(^{23}\) Amended SIR Proceeding, City Comments, pp. 7-9.
customers. In support of this request, the City points to concepts presented at a meeting of the IPWG by National Grid.\textsuperscript{24}

Regarding the alignment of construction payment timelines, the Joint Utilities, along with other IPWG/ITWG Commenters, recognized that municipal projects can pose particular challenges and proposed modifications in the IPWG/ITWG Commenters’ SIR Redlines to allow for extension of construction payment timelines in specific instances.\textsuperscript{25} Therefore, the City’s concern is already addressed in a way that does not provide special treatment to be specifically set out in the SIR, but rather in a way that allows the Joint Utilities to continue their efforts to work with municipal interconnection customers and other customers to facilitate their projects.

Addressing the ease of interconnection and cost uncertainty, in September 2017, each of the utilities developed, and continue to maintain, interactive hosting capacity maps for all distribution or network feeders emanating from a substation at 12kV and above.\textsuperscript{26} These maps are a tool to inform developers of the amount of solar photovoltaic (“PV”) potential a given feeder may be able to host without the need for significant system upgrades. The Joint Utilities also note that the National Grid project referenced in the City Comments is, in fact, a REV demonstration project\textsuperscript{27} and suggest that, when complete, the lessons learned from the project should be considered for possible broader application.

\textsuperscript{24} The City also refers to a proposal by the New York Power Authority. \textit{Id.}, pp. 7-8.
\textsuperscript{25} Amended SIR Proceeding, IPWG/ITWG Commenters’ SIR Redlines, pp. 21, 26 and Appendix I – New York State Standard Moratorium Attestation Form.
\textsuperscript{26} \url{http://jointutilitiesofny.org/utility-specific-pages/hosting-capacity/}
\textsuperscript{27} REV Proceeding, National Grid’s REV Demonstration Distributed Generation Interconnection Project Implementation Plan (filed May 24, 2017).
V. The SIR Should Continue to Mandate Use of the IOAP

The City agrees that “a centralized, online repository for application information is in the best interests of all parties in the long run.” Nonetheless, the City objects to the Proposed SIR’s requirement that documents be submitted only through the IOAP and asks that the utility accept requested documents through other means if the applicant is unable to submit through the IOAP. The City also questions the Proposed SIR’s requirement to submit written notifications regarding testing verification and seeks authorization for electronic notification.

In response, the Joint Utilities believe that the SIR is intended to be interpreted reasonably and should there be any difficulty with the functionality of the IOAP, the Joint Utilities would work with applicants so that documents may be submitted in a timely manner. Indeed, the City itself notes that when the Con Edison portal unexpectedly became unavailable Con Edison worked cooperatively with the City so that interconnection information could be submitted. Similarly, there is no need to alter the SIR to address submission of testing verification because the Joint Utilities accept these documents electronically through the IOAP.

28 Amended SIR Proceeding, City Comments, p. 3.
29 Id., p. 4.
30 Id., p. 3, n.6. It is also noted that the IPWG has not supported the City’s suggestion regarding optionality of the IOAP.
31 Indeed, the City Comments note that when the Con Edison portal became unexpectedly unavailable Con Edison worked cooperatively with the City so that information could be submitted. Id., p. 3, n. 6.
VI. Conclusion

The Joint Utilities urge the Commission to reject the City’s suggestions and adopt the IPWG/ITWG Commenters’ SIR Redlines and the Joint Utilities’ Redlines of Appendix G.

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Respectfully submitted,

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