

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on October 17, 2019

COMMISSIONERS PRESENT:

John B. Rhodes, Chair
Diane X. Burman
James S. Alesi
Tracey A. Edwards
John B. Howard

CASE 19-E-0464 - Tariff filing by Consolidated Edison Company Of
New York, Inc. to Modify Its Electric Tariff
Schedule, P.S.C. No. 10 and P.S.C. No. 12 -
PASNY, to Establish Provisions for Value Stack
Compensation for Its PASNY Customers.

ORDER APPROVING TARIFF AMENDMENTS WITH MODIFICATIONS

(Issued and Effective October 17, 2019)

BY THE COMMISSION:

INTRODUCTION

On June 18, 2019, Consolidated Edison Company of New
York, Inc. (Con Edison or the Company) filed amendments to its
electric tariff schedules, P.S.C. No. 10 (the Electric Tariff)
and P.S.C. No. 12 (the PASNY Tariff).¹ Con Edison proposes to
establish provisions in its PASNY Tariff allowing NYPA customers
to receive Value Stack compensation for the excess electricity
generated by eligible on-site (at the customer premises) and
remote net metering distributed energy resource projects (DERs)
as established in the Public Service Commission's (Commission)

¹ The PASNY Tariff governs delivery service between the New York
Power Authority (NYPA) and Con Edison for NYPA customers.

Value of Distributed Energy Resources (VDER) proceeding.² The proposed Value Stack compensation rules are already contained in the Company's Electric Tariff.

The amendments are the result of several collaborative discussions and meetings that began in October 2017 between Con Edison, Department of Public Service Staff, NYPA, the City of New York (the City), and certain NYPA customers. Comments filed by NYPA and the City are addressed below. This Order approves the proposed amendments with minor modifications to ensure consistency between the Electric Tariff and the PASNY Tariff.

TARIFF FILING

Con Edison proposes to add provisions to its PASNY Tariff allowing NYPA customers to receive Value Stack compensation for the excess electricity generated by eligible on-site and remote net-metered DER projects, consistent with the rules for Value Stack compensation established in the Commission's VDER proceeding. The Company proposes a new General Provision under the PASNY Tariff titled Value Stack Tariff for PASNY Customer-Generators which would implement, in the PASNY Tariff, certain provisions already contained within Con Edison's Electric Tariff - Rider R. Rider R allows eligible DER projects to receive Value Stack compensation for net excess generation of electricity injected into the grid. Con Edison notes that it does not propose to include provisions in the PASNY Tariff to allow Value Stack compensation for Community Distributed Generation (CDG) projects because of the current CDG project design.

The PASNY Value Stack Tariff will be applicable to customers who install eligible electric generating equipment

² Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources.

projects on-site or at a remote site that satisfies remote net metering rules. The Company will process requests for interconnection under this provision in accordance with the Standardized Interconnection Requirements (SIR).³

Con Edison proposes to expand applicability of the Value of Distributed Energy Resources Value Stack Credits (VDER-CRED) Statement, currently applicable to the Electric Tariff only, to include Value Stack compensation credits for PASNY customers. The VDER-CRED Statement incorporating the changes discussed in the body of this Order, as applicable to PASNY customers, would continue to be filed with the Commission no less than three days prior to the effective date.

PUBLIC NOTICE AND COMMENTS

The Company provided newspaper publication pursuant Public Service Law (PSL) §66(12)(b) and 16 NYCRR §720-8.1 for its proposed tariff amendments.

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking was published in the State Register on July 17, 2019 [SAPA No. 19-E-0464SP1]. The time for submission of comments pursuant to the Notice expired on September 16, 2019. Comments were received from NYPA and the City, as summarized below.

NYPA articulates its support of the proposed tariff amendments by stating that the tariff amendments would erase the historic inequity that has prohibited NYPA customers with eligible DER projects from participating in the prior net-metering and current Value Stack compensation for on-site and

³ Cases 18-E-0018, et. al., Standardized Interconnection Requirements (SIR) for Small Distributed Generators, Order Modifying Standardized Interconnection Requirements (issued October 18, 2018).

remote net metering projects. Accordingly, NYPA recommends that the Commission approve the tariffs.

The City generally supports the tariff amendments and stated the proposed tariff amendments are a critical step to extend Value Stack compensation to NYPA customers. However, the City is identified concerns that the proposed tariffs could be misinterpreted. The City requests that the tariffs be modified to include: (1) clarifications of the definitions of gross injections, net injections, gross consumption, and net consumption; (2) a consistent methodology for distribution of excess credits under the PASNY and the Electric Tariffs; and, (3) a provision allowing a mix of NYPA and non-NYPA customers to participate as satellite customers for CDG projects by no later than July 1, 2020.

LEGAL AUTHORITY

Pursuant to PSL §§5(1) and (2), 65(1) through (3), and 66(2) and (5), the Commission has the legal authority to review proposed tariff leaves, as well as modify, reject or approve such filed tariffs to ensure that the rates and services governed by those tariffs are just and reasonable and otherwise consistent with the law. As such, the Commission has the legal authority to review the Company's filing and approve and make effective tariff amendments, as prescribed in this Order.

DISCUSSION AND CONCLUSION

The Commission finds that, in general, the tariff amendments proposed by Con Edison appropriately extend Value Stack compensation to NYPA customers. The revisions will better enable NYPA customers to develop beneficial DERs and receive appropriate compensation without inappropriately shifting costs to non-NYPA customers. Therefore, the Commission finds the

tariff amendments, subject to the minor modifications discussed below, are just and reasonable.

The City expressed concerns with the PASNY Tariff terminology relating to the definitions for gross injections, net injections, gross consumption, and net consumption. The definitions and terms of Con Edison's proposed modifications to the PASNY tariff are consistent to the Electric Tariff and should remain so at this time. However, neither the Electric Tariff nor the PASNY Tariff include a definition for net consumption or net hourly consumption. Con Edison shall modify the tariffs to include such definitions.

The City further requested that Con Edison use a consistent methodology for the distribution of excess credits under the PASNY and the Electric Tariffs. For a remote crediting project, the Electric Tariff allows any monetary credit remaining after credits are applied to satellite accounts to be carried forward to the succeeding billing period on the Host Account. However, the PASNY Tariff as proposed requires that any monetary credit remaining after credits are applied to satellite accounts be applied to the monthly NYPA bill. The Commission adopts this proposal and denies the City's requested modification. Due to billing system limitations the Company is unable to carry forward credits for NYPA. Con Edison bills NYPA customers as a separate and distinct service classification. In turn, NYPA bills its customers directly and is responsible for applying credits to the appropriate NYPA remote net metering customer Host and Satellite Accounts. Therefore, Con Edison's proposal to apply any remaining credits to the NYPA bill is appropriate.

The City also requested that the Commission direct Con Edison to file tariff language to permit a mix of NYPA and non-NYPA customers to participate as satellite customers for CDG

projects by no later than July 1, 2020. The Commission also denies this request. The Commission finds it premature to permit a mix of NYPA and non-NYPA customer participation in a CDG project due to the current CDG program design, which involves specific treatment of customers based on rate class in a manner that requires review to apply to NYPA customers. Tariff changes to allow such participation will require careful development and consideration and should not be forced within an arbitrary deadline. However, the Commission recommends continued collaboration between Con Edison, the City, and NYPA, in consultation with Department of Public Service Staff and any other interested entities, to determine what issues must be addressed to allow a mix of NYPA and non-NYPA customer participation in CDG projects and to develop and propose tariff changes that address those issues.

Finally, the Company's proposed modifications have some areas that are ambiguous. First, the modifications to the Electric Tariff describing the cost recovery for Out of Market Environmental Credits is unclear. Out of Market Out of Market Environmental Credits should be recovered from the service classifications of the customers receiving the credit and Con Edison shall modify the tariff to clarify such recoveries. Additionally, the Company's modifications to PASNY tariff do not specify that the Value Stack Credits Statement, which will be used to compensate customers under value stack, is that of the Electric Tariff. The Company shall clarify that the Electric Tariff Value Stack Credits Statement will be applicable to the PASNY Tariff and modify the statement accordingly.

The Commission approves Con Edison's proposed tariff amendments, as modified per the discussion above. The approval of Con Edison's proposed tariff amendments will allow PASNY customers to receive Value Stack compensation for the

installation of on-site and remote net metering projects to assist the furthering of the State's renewable electricity energy goals.

Finally, the Commission approves Con Edison's proposal to modify the VDER-CRED Statement under the Electric Tariff. In view of the notices previously published by Con Edison, the PSL §66(12)(b) and 16 NYCRR §720-8.1 related to the requirement for newspaper publication of the tariff revisions are waived.

The Commission orders:

1. Consolidated Edison Company of New York, Inc.'s tariff amendments listed in the Appendix shall become effective on November 1, 2019, provided the Company files further revisions consistent with the discussion in the body of this Order, on not less than five days' notice, to become effective November 1, 2019.

2. Consolidated Edison Company of New York, Inc. shall file its Value of Distributed Energy Resources Value Stack Credits (VDER-CRED) Statement incorporating Value Stack Crediting for New York Power Authority (NYPA) customers on not less than three days' notice beginning November 1, 2019.

3. The requirements of Public Service Law §66(12)(b) and 16 NYCRR §720-8.1 as to newspaper publication of the further tariff revisions directed in Ordering Clause No. 1 are waived.

4. In the Secretary's sole discretion, the deadlines set forth in this order may be extended. Any request for an extension must be in writing, must include a justification for the extension, and must be filed at least one day prior to the affected deadline.

5. This proceeding is closed pending compliance with Ordering Clause Nos. 1, 2, and 3.

By the Commission,

(SIGNED)

KATHLEEN H. BURGESS
Secretary

SUBJECT: Filing by CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

Amendments to Schedule P.S.C. No. 10 - Electricity

Second Revised Leaves Nos. 243.13, 358.1, 358.2

Third Revised Leaves Nos. 331, 336.1

Fifth Revised Leaves Nos. 152, 462

Amendments to Schedule P.S.C. No. 12 - PASNY

Original Leaves Nos. 17.3, 17.4, 17.5, 17.6,
17.7, 17.8, 17.9, 17.10, 17.11, 17.12, 17.13,
17.14, 17.15, 17.16, 17.17, 17.18, 17.19, 17.20,
17.21, 17.22

First Revised Leaf No. 26.3

Fifth Revised Leaf No. 26.4

Issued: June 18, 2019 Effective: November 1, 2019

SAPA: 19-E-0464SP1 - STATE REGISTER - July 17, 2019

NEWSPAPER PUBLICATION: July 10, 17, 24 and 31, 2019