

Consumer Power Advocates

Columbia University Medical Center
Fordham University
Memorial Sloan Kettering Cancer Center
The College of New Rochelle

Mount Sinai Health System
New York Presbyterian Hospital
New York University
NYU Langone Medical Center

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August 21, 2015

Honorable Kathleen Burgess
Secretary
New York Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

RE: Case 14-M-0101- Reforming the Energy Vision, Benefit-Cost Analysis Report

Dear Secretary Burgess,

These are the comments of Consumer Power Advocates (CPA) regarding the Staff Benefit Cost Analysis Report in the above captioned proceeding. Consumer Power Advocates' mission is to lower energy costs for our members through representation in energy-related regulatory and legislative proceedings. CPA is an alliance of large not-for-profit institutions in the greater New York region. Our membership is open to hospitals, universities, medical schools, and cultural institutions. CPA members include some of the largest employers and energy users in New York State. Six of our recent member hospitals are among the 15 largest regional health organizations including five of the ten largest. Six current CPA members are among New York City's 25 largest employers, according to Crain's New York Business.

First, we commend the Staff on their efforts to assemble the comprehensive list of principles to be considered in the development of the Framework for evaluating distributed energy projects (DER). CPA supports all the particular principles and anticipates that this process will lead to a Framework that assures all parties and the public that there will be a rational basis for future resource decisions. This is an important step forward for the sustainable development of DERs.

CPA supports the use of utility specific Handbooks for evaluating DERs. We expect these Handbooks to vary significantly from company to company, and perhaps even among the different geographic districts of some companies. Nevertheless, the process used to develop and amend the various

Handbooks should be uniformly transparent, and the resulting Handbooks should be subject to Commission approval after review by interested parties. The Handbooks should be authoritative documents that incorporate clear descriptions of relevant tariff requirements and such system information to allow developers to estimate the value of various projects with some certainty. Our model here is the NYISO manual review process, in which NYISO staff or Market Participants propose manual changes. Manual revisions are adopted only after review by Market Participant committees, and specific provisions are occasionally clarified by Technical Bulletins, which are issued only after notice to the Market Participants. In all cases tariffs remain the final authoritative document, but the Manuals and Technical Bulletins are convenient and reliable references for those doing business with NYISO. An analogous process in which both developers and consumer representatives are notified in advance of any changes in the Handbook, including changes in interpretations of Handbook provisions resulting from utility policies, should be developed for Handbooks. The Commission must remain the final arbiter of all disputes arising from the Handbooks.

CPA believes that the full marginal damage cost must be included when estimating value of future emission reductions. The use of the CARIS emission value forecast understates those costs, and thus requires adjustment. NYISO's responsibility is to include emission costs in the markets, not to determine those costs. The Commission has a broader responsibility to act in the public interest and that includes valuing emissions at their full damage cost. It is important to recognize that these damage costs are largely the result of the increased morbidity and mortality due to particulates and other pollutants, which disproportionately affect those residing near emission sources. Both public health and environmental justice considerations require that these costs be recognized, regardless of the difficulty of doing so. For this purpose, the Environmental Protection Agency (EPA) estimates are acceptable, and other estimates are acceptable only if they are equally transparent and available publicly.

CPA further believes that the assumption that low- and zero non-emitting DERs will reduce future emissions should be accepted, regardless that the structure of Regional Greenhouse Gas Initiative (RGGI) allows a fixed level of emissions. To the extent that RGGI undermines the value of emission reductions, that is a defect in RGGI design, not an inevitable circumstance that the Commission should endorse. The RGGI requirements were determined in a lengthy process of compromise among various parties, and both the total volume of allowances and the RGGI structure itself are subject to periodic renegotiation. As the necessity of carbon reduction becomes more accepted, and as technological changes reduce the cost of that reduction, we expect revisions to RGGI or some superior replacement program to cure the defects noted by the Staff.

Thank you for the opportunity to offer these comments.

Respectfully Submitted,

Catherine Luthin

Executive Director, Consumer Power Advocates