January 9, 2017

VIA ELECTRONIC FILING

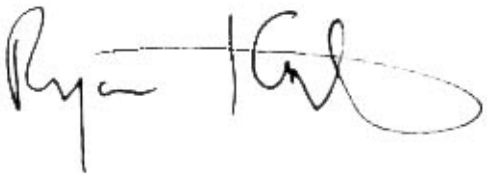
Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12223-1350

Re: Case 16-M-0411 – In the Matter of Distributed System Implementation Plans
Case 14-M-0101 – Proceeding on Motion of the Commission in Regards to Reforming the Energy Vision

Dear Secretary Burgess:

The Advanced Energy Economy Institute (AEEI), on behalf of Advanced Energy Economy (AEE), the Alliance for Clean Energy New York (ACE NY), the Northeast Clean Energy Council (NECEC), and their joint and respective member companies, submit for filing these Initial Comments in response to the to the Commission's November 23, 2016, *Notice Seeking Initial Comments on the Supplemental Distributed System Implementation Plan* in the above-referenced proceedings.

Respectfully Submitted,



Ryan Katofsky
Vice President, Industry Analysis

Initial Comments on the Supplemental Distributed System Implementation Plan (Case 16-M-0411)

Advanced Energy Economy Institute
Alliance for Clean Energy New York
Northeast Clean Energy Council

Preface

The mission of Advanced Energy Economy Institute (AEEI), the charitable and educational organization affiliated with Advanced Energy Economy (AEE), is to raise awareness of the public benefits and opportunities of advanced energy. As such, AEEI applauds the New York Commission for its continued commitment to the Reforming the Energy Vision (REV) proceeding, which seeks to unlock the value of advanced energy so as to meet important state policy objectives and empower customers to make informed choices on energy use, for their own benefit and to help meet these policy objectives.

In order to participate generally in the REV proceeding and respond specifically to the Commission's November 23, 2016, notice seeking Initial Comments on the Supplemental Distributed System Implementation Plan (DSIP), AEEI is working with AEE and two of its state/regional partners, the Alliance for Clean Energy New York (ACE NY) and the Northeast Clean Energy Council (NECEC), and the three organizations' joint and respective member companies to craft the comments below. These organizations and companies are referred to collectively as the "advanced energy community," "advanced energy companies," "we," or "our."

AEE is a national business association representing leaders in the advanced energy industry. AEE supports a broad portfolio of technologies, products and services that enhances U.S. competiveness and economic growth through an efficient, high-performing energy system that is clean, secure and affordable. ACE NY's mission is to promote the use of clean, renewable electricity technologies and energy efficiency in New York State, in order to increase energy diversity and security, boost economic development, improve public health, and reduce air pollution. NECEC is a regional non-profit organization representing clean energy companies and entrepreneurs throughout New England and the Northeast. Its mission is to accelerate the region's clean energy economy to global leadership by building an active community of stakeholders and a world-class cluster of clean energy companies.

Introduction

On November 23, 2016, the New York State Public Service Commission (the Commission) issued an order inviting interested parties to file comments on the Supplemental Distributed System Implementation Plan (DSIP) submitted by New York's investor-owned electric utilities.[1] The Commission instructed parties to submit initial comments on the Supplemental DSIP by January 9, 2017, and reply comments by January 23, 2017.

Advanced Energy Economy Institute (AEEI), the Alliance for Clean Energy New York, and the Northeast Clean Energy Council appreciate the opportunity to comment on the utilities' Supplemental DSIP. These comments were jointly developed with other parties[2] in this proceeding and were prepared with the assistance of Synapse Energy Economics, Inc.

The Commission established guidelines for the Supplemental DSIP in a prior order, which directed that the Supplemental DSIP address "the tools, processes, and protocols that will be developed jointly or under shared standards to plan and operate a modern grid capable of dynamically managing distribution resources and supporting retail markets."[3] In essence, the Supplemental DSIP should be oriented around increasing standardization across utilities and better fostering Distributed Energy Resources (DER) throughout New York. These comments focus on the two overarching issues of standardizing processes and encouraging DERs, and are organized in line with the detailed guidance provided by the Commission.[4]

Summary

Findings

The Supplemental DSIP indicates that New York's utilities are engaged in laudable efforts to standardize certain DER-related processes throughout the state, particularly those related to Non-Wires

[1] Case 16-M-0411, NY PSC. Notice Soliciting Comments on the Supplemental Distributed System Implementation Plans (November 23, 2016). The Joint Utilities include Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), Orange and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).

[2] In order to better respond to the Commission's request for comment on the initial DSIP filings, National Resource Defense Council, Pace, Solar Energy Industries Association, and Vote Solar pooled resources with the Advanced Energy Economy Institute (AEEI) to engage Synapse Energy Economics, Inc. in reviewing the DSIP filings. The parties then built upon Synapse's review and analysis to further develop their own comments. AEEI is individually filing a separate set of comments that draw upon the same shared analysis.

[3] Case 14-M-0101, NY PSC. Order Adopting Distributed System Implementation Plan Guidance, at 3 (April 20, 2016) [hereinafter "DSIP Guidance Order"].

[4] DSIP Guidance Order, at Attachment 1.

Alternative (NWA) procurement, initial hosting capacity indicators, NWA suitability criteria, and value added data. We recognize the complexity of standardizing these novel responsibilities across utilities with significantly different service territories and capabilities, and we applaud the utilities' efforts in this area.

Nevertheless, the Supplemental DSIP is lacking in certain critical respects, and does not fully comply with the Commission's guidance. In general, the Supplemental DSIP does not do enough to provide customers, DER developers, and other market participants with the tools to accelerate DER penetration. We find this to be especially true in the realms of hosting capacity analysis, data sharing, and fostering of system-wide DERs.

More specifically, the Supplemental DSIP suffers from the following weaknesses:

- The Supplemental DSIP's timeline for rolling out initial hosting capacity analyses does not comport with the likely near-term growth in DERs.
- The Supplemental DSIP provides minimal detail regarding plans for more advanced hosting capacity analyses.
- The Supplemental DSIP does not do enough to promote the standardization of data sharing protocols.
- The data sharing restrictions proposed within the Supplemental DSIP are unnecessarily burdensome.
- The Supplemental DSIP's definition of basic data is unduly restrictive.
- The Supplemental DSIP does not provide a clear path toward identifying and developing system-wide DERs.
- The Supplemental DSIP does not contain sufficient plans for improving load forecasting methods.
- The Supplemental DSIP indicates that the utilities have not been engaged in sufficient efforts to automate their interconnection processes.
- The Supplemental DSIP raises concerns regarding the potential for monitoring and control standards to be used to curtail DERs in an unnecessary and discriminatory fashion.
- The Supplemental DSIP does not provide for a sufficiently robust stakeholder engagement process going forward.

Recommendations

We recommend that the Commission direct the utilities to address each of these deficiencies in a Revised Supplemental DSIP as soon as is practical. Given the potential impact of the Supplemental DSIP on utility investments and the trajectory of DERs in New York State, the Commission should require that the utilities submit a Revised Supplemental DSIP no later than July 2017.

The Commission should require the utilities' Revised Supplemental DSIP to include the following improvements:

- A timeline for a fast-tracked, first-stage hosting capacity analyses.
- A detailed plan for performing future advanced hosting capacity analyses that meet the output requirements previously identified by the Interstate Renewable Energy Council (IREC).
- A detailed description of how each utility's pricing, programs, and procurement policies are expected to affect DER development.
- Revised DER forecasts based on DER potential studies.
- Substation-level 8760 forecasts for all the utilities.
- Plans to more rapidly automate the utilities' interconnection processes.
- A process whereby DER owners may appeal curtailment decisions.
- Plans for an online stakeholder engagement platform that allows for ongoing, continuous engagement.

The Commission can require certain improvements to the Supplemental DSIP without the need for any further stakeholder discussion or process. We recommend that the Commission adopt the following standards for the utilities to incorporate in their practices, as well as in the Revised Supplemental DSIP:

- A building-level data aggregation threshold of two meters.
- The Green Button Connect (GBC) data sharing protocol.
- A hosting capacity analysis maintenance cycle that updates each analysis at least once per month.
- A requirement that the utilities publish reasonable rules for participating in the NWA solicitation process at least six months prior to the release of any solicitation to which those rules are applied.
- A requirement that the utilities post all NWA solicitations at least 18 months in advance of the project need date.

Distribution System Planning

Forecast of Demand and Energy Growth

The Supplemental DSIP indicates that the utilities are not taking sufficient steps to improve their load forecasting processes. The Commission has stated that forecasts of demand and energy growth "should follow a stochastic, or probabilistic, methodology rather than a deterministic methodology," and

that the Supplemental DSIP should discuss a "plan and process to move from deterministic to a probabilistic modeling approach."[5] The Supplemental DSIP submitted by the utilities does not comply with this guidance. We commend National Grid for discussing its plans to develop probabilistic DER adoption forecasts to inform its load forecasts.[6] However, the other utilities do little more than suggest that future forecasting efforts "could" include "new approaches such as scenario analysis and probabilistic planning."[7] This statement appears to be at odds with the Commission *requiring* that utilities move toward probabilistic methodologies.

The Supplemental DSIP also contains concerning statements regarding utility efforts to increase the granularity of their published forecasts. The Commission has previously directed utilities to establish a database that includes "substation level data" on "forecasted 8760 loads."[8] On this issue, Central Hudson leads the way, stating that it already develops bottom-up 8760 load forecasts at the substation level.[9] Other utilities, in contrast, suggest that they "may enhance their planning processes by developing 8760 forecasts" but foresee challenges associated with developing more granular forecasts.[10] Con Edison and O&R appear particularly reluctant to develop and provide substation-level 8760 forecasts.[11] We recommend that the Commission press the utilities to move forward with developing these forecasts. Detailed and granular forecasts are highly useful to DER providers, and the fact that at least one New York utility already produces them suggests that it should not be difficult for sophisticated utilities such as Con Edison to follow suit.

We do appreciate the utilities' plan to host six forecast engagement group meetings between now and mid-2018.[12] Frequent stakeholder input should help to increase the accuracy and detail of utility forecasts. In order to enhance the effectiveness of the stakeholder process, we recommend that the utilities solicit written input on published forecasts, and document input given at the stakeholder sessions, providing clear explanations for rejecting any recommendations that are not accepted.

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[5] DSIP Guidance Order Attachment 1, at 15, 19.

[6] Case 16-M-0411, Con Edison, NYSEG, National Grid, O&R, and RG&E. Supplemental Distributed System Implementation Plan, at 35-36 (November 1, 2016) [hereinafter "Supplemental DSIP"].

[7] Supplemental DSIP, at 35.

[8] DSIP Guidance Order Attachment 1, at 19.

[9] Supplemental DSIP, at 33.

[10] Supplemental DSIP, at 35.

[11] Supplemental DSIP, at 129-131.

[12] Supplemental DSIP, at 37.

Available DER Resources

DER Forecasts

The Supplemental DSIP does not adequately describe the utilities' plans for improving their DER forecasts. The DSIP Guidance Order directed utilities to use the Supplemental DSIP to identify the expected contribution of each DER type to peak load, energy reduction, and load shape for the next five years.[13] The Supplemental DSIP does not contain any detailed DER forecasts. We understand that it is unlikely that the utilities have yet made substantial improvements to the forecasts contained in their Initial DSIPs. Nonetheless, we reiterate that the DER forecasts from the Initial DSIPs are unreasonably conservative, and we recommend that the Commission require the utilities to revise their forecasts on the basis of DER potential studies, as described in our previous comments.[14] We further recommend that future DER forecasts include both a "business as usual" scenario and a "high DER adoption" scenario. By including multiple scenarios, the utilities will have greater flexibility and can better prepare for high DER penetrations. The longer the utilities rely on inadequate DER forecasts that upwardly bias their load forecasts, the more likely it is that the utilities will increase customer bills by spending on unnecessary capital investments.

The Commission identified one possible mechanism for utilities to improve their forecasts when it directed that the Supplemental DSIP "describe the process for gathering information from DER providers, other stakeholders, and other available resources." [15] The Supplemental DSIP only briefly touches on this process, stating that the utilities are open to incorporating validated third party DER forecasts, and that any such forecasts would be validated and benchmarked as with current data inputs.[16] This is a vague description. We recommend that the Commission require that future DSIPs further clarify the process for gathering information from third parties.

Implementing System-Wide DERs

More concerning than the absence of DER forecasts in the Supplemental DSIP is the lack of a clear strategy for ensuring that all cost-effective DERs are implemented throughout each utility's system. The utilities rightly note that "while the utilities can capture distribution system benefits from DER, the larger portion of value from DER integration is found in the environmental and bulk power system benefits."[17] This implies that the utilities should not only focus on DERs that can

[13] DSIP Guidance Order Attachment 1, at 15.
[14] Case 16-M-0411, AEEI, ACE NY and NECEC. Initial Comments on Initial DSIPs, September 12, 2016.
[15] DSIP Guidance Order Attachment 1, at 15.
[16] Supplemental DSIP, at 36.
[17] Supplemental DSIP, at 21.

serve as NWAs, but should also have a plan for implementing any DER opportunities that are cost-effective on the basis of avoided energy, capacity, transmission, and environmental costs.[18]

The Commission's BCA Framework Order directed the state's utilities to develop methodologies for quantifying the benefits provided by each type of DER.[19] As we set forth in our comments in that proceeding, the BCA handbooks must be updated to include this information.[20] But quantifying DER benefits alone will not ensure cost effective *procurement or independent development* of those resources.

The Supplemental DSIP expresses the utilities' general intent to use the "Three Ps" of Pricing, Programs, and Procurement to increase DER penetration across the utilities' systems, but defers to other proceedings regarding the Pricing and Programs components.[21] This deferral is not acceptable. Other proceedings have not proved adequate to further the procurement of all cost-effective DER, and even if they were, the Supplemental DSIP should serve as the planning vehicle to confirm that all cost-effective DER will be developed. The Supplemental DSIP is the only forum for the utilities to identify, in detail, how the Three Ps fit together, and how they will be used to drive the implementation of all cost-effective DER. While we recognize the impact of other proceedings on the utilities' pricing and program schemes, this should not prevent the utilities from identifying current and proposed efforts within each of the Three Ps. Rather, we recommend that a revised Supplemental DSIP describe how each of the Three P's is expected to affect DER development, and identify supplemental approaches that will fill any gaps in existing processes for developing cost-effective DERs.

For example, the Value of DER proceeding initiated by the Commission is not expected to advance energy efficiency as a resource. And while NWA procurement will involve developing energy efficiency in particularly grid-constrained regions, it will not advance cost-effective energy

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[18] We refer to these as system-wide DERs, because they are cost-effective anywhere on the system, even where the value of distribution avoided costs is low or zero.

[19] Case 14-M-0101, NY PSC. Order Establishing the Benefit Cost Analysis Framework (January 21, 2016), at 31-32 ("Effectively assessing the benefits of DER requires accurately assessing the amount of energy, capacity, and other benefits that those resources provide, and how often, when, and where they will be provided. Therefore, the BCA Handbooks shall detail a methodology that . . . determines to what degree those resources reduce energy or capacity and ancillary service needs."). Note that California's investor owned utilities are also developing a common locational net benefits analysis (LNBA) methodology that considers non-location specific value components that reflect "system level" conditions of the bulk electric system (e.g., system resource adequacy, energy, avoided greenhouse gas emissions etc.) and location specific values that reflect "local level" conditions of the distribution system. The CPUC convened LNBA Working group recently published a first intermediate status report on long-term LNBA refinements that is a useful reference for the BCA Handbooks.

[20] Case 16-M-0412, Comments on the Benefit Cost Analysis Handbooks from the Natural Resources Defense Council, the Pace Energy and Climate Center, the Solar Energy Industries Association and Vote Solar, at 3-4 (Aug. 29, 2016).

[21] Supplemental DSIP, at 96-98.

efficiency elsewhere on the system. Accordingly, each utility should plan to use other approaches to ensure that all cost-effective energy efficiency is procured or otherwise facilitated. While certain efforts to advance DER have been made in other proceedings, planning in this area is proceeding too slowly, and it is difficult to understand the connections between all of the disparate proceedings that may affect such development without the comprehensive assessment that the Supplemental DSIP could provide.

Beneficial Locations for DER Deployment

NWA Suitability Criteria

We commend the utilities' efforts to adopt consistent NWA suitability criteria, and strongly endorse the position that those criteria should be used to prioritize the most viable and valuable NWA opportunities, rather than to eliminate NWA options. We find the proposed criteria of project type, timeline, and cost suitability to be reasonable in the context of prioritizing projects.[22] We appreciate that the Supplemental DSIP appears to respond to stakeholder concerns around the unnecessary exclusivity of prior NWA suitability criteria by stating that the new criteria "are not inclusive of the full set of factors that utilities may use to evaluate NWA bids in the context of a competitive procurement," but rather are meant to provide a transparent means of prioritizing.[23] We recommend that the Commission carefully monitor the NWA procurement process to ensure that the utilities do in fact use the proposed criteria to prioritize rather than eliminate, and that the utilities move forward with a reasonable number of NWA solicitations.

We further recommend that the utilities to continue to take steps to increase the scope of traditional infrastructure projects for which NWAs are viable alternatives. For example, the utilities should be working both to identify upcoming load relief needs years in advance and to reduce the timeline of the NWA procurement process, so that the timeline for procuring NWAs is no longer a constraint. Ultimately, we envision certain NWA approaches being treated as the default option, rather than a screened alternative to traditional distribution projects.

NWA Procurement

We applaud the utilities' efforts to standardize and streamline the NWA procurement process. We find the descriptions of these efforts to be among the most useful aspects of the Supplemental DSIP. Particularly important is the utilities' commitment to providing a common set of data points—including critical information such as project size, seasonality, temporal profile, geographic characteristics, and

[22] Supplemental DSIP, at 42-46.
[23] Supplemental DSIP, at 41, 44.

customer characteristics—in all NWA solicitations.[24] We support the provision of these common data points, as well as the utilities' plan to use NWA bidder pre-qualification to assure the size of the bidder pool and help streamline the procurement process.[25] In addition, we appreciate the utilities' expressed intent to maintain a consolidated list of all current NWA opportunities online.[26] We recommend that the Commission formalize this intention, and require that the utilities maintain their consolidated NWA opportunity lists on the REV Connect portal, for easy review by interested third parties.

Our only concerns regarding the proposed NWA procurement process revolve around timing and transparency. It is important to guarantee that third parties have sufficient time to qualify, to respond to, and to submit responses to, NWA solicitations. Therefore, we recommend that the Commission require that the utilities publish reasonable rules for participating in the NWA solicitation process at least six months prior to the release of any solicitation to which those rules are applied. In addition, we recommend that the Commission require the utilities to post all NWA solicitations at least 18 months in advance of the project need date. Our conversations with DER developers have indicated that this is the amount of time that is generally necessary for the developers to readily respond to solicitations and develop and build projects.

We are troubled by the potential lack of transparency around the cost of traditional capital projects for which NWAs are solicited. We understand the utilities' worry that publishing these costs could produce anti-competitive results.[27] However, the listing of traditional project costs could improve the efficiency of the NWA procurement process by helping third parties identify which NWA opportunities provide the greatest value, and by avoiding situations in which DER developers apply for NWA projects for which they will clearly not be competitive. We recommend that the Commission balance these concerns by periodically reviewing the competitiveness of the NWA provision market to determine if there is sufficient competition to warrant releasing the costs of traditional solutions within solicitations. At a minimum, we recommend that the Commission always have access to detailed traditional solution cost information, to ensure that this information is accurate and consistent.

[24] Supplemental DSIP, at 104.
[25] Supplemental DSIP, at 105.
[26] Supplemental DSIP, at 108.
[27] Supplemental DSIP, at 108.

Hosting Capacity

Initial Hosting Capacity Analyses

We commend the utilities' efforts to generate consistent outputs from their Phase 2 hosting capacity analyses.[28] This move toward standardized outputs is an important step. However, it is also critical that the utilities publish their initial hosting capacity analyses as soon as possible. The Supplemental DSIP indicates that the utilities will not complete their initial analyses until mid-2018.[29] Under this timeframe, there is likely to be a surge in buildout of DERs—especially community solar projects—in areas for which hosting capacity analyses are not yet available. We urge the Commission to require that the utilities fast-track these first-stage analyses and more rapidly accommodate DER penetration.

Once the initial hosting capacity analyses are completed, the utilities should keep them reasonably up-to-date. In the Supplemental DSIP, the utilities only commit to updating hosting capacity maps once per year.[30] Given the likely growth in DERs, this is unlikely to be sufficient. We recommend that the utilities update their hosting capacity analyses at least once per month, and—to the extent possible—move toward automatically updating these analyses. If the utilities are unable to provide automatic updating, they should explain the obstacles to doing so and set forth a plan to overcome them. Further, if the utilities are unable to update their analyses at least once per month, we recommend that the Commission order that any proposed DER project be assessed by the standard of the hosting capacity analysis available at the time of the project's submittal. If the actual hosting capacity of the relevant section of the distribution grid no longer allows for the connection of the project, the utility should be required to either increase the hosting capacity or compensate the DER developer, and should not be permitted to charge customers for these costs. The developer should not pay the price if a utility does not provide up-to-date analysis.

Advanced Hosting Capacity Analyses

While the Supplemental DSIP contains useful information regarding initial hosting capacity analyses, it does not provide nearly enough detail regarding more advanced analyses to be developed in the future. The Commission has stated that the Supplemental DSIP should include a timeline and methodology for calculating and improving circuit-level hosting capacity data.[31] Instead, the Supplemental DSIP mentions plans to develop Phase 3 and Phase 4 hosting capacity analyses, but does

[28] Supplemental DSIP, at 54.
[29] Supplemental DSIP, at 54.
[30] Supplemental DSIP, at 6.
[31] DSIP Guidance Order Attachment 1, at 18.

not specify timelines, inputs, methodologies, or outputs associated with these analyses.[32] We recommend that the Commission adopt the hosting capacity analysis goals previously articulated by IREC,[33] and require the utilities to submit a revised Supplemental DSIP that describes a chosen methodology adequate to achieve these goals.

In developing plans to improve their hosting capacity analyses, we encourage the utilities to draw from California's Distributed Resources Plan (DRP) proceeding, which establishes methodologies for determining hosting capacity and locational net benefits for California's investor-owned utilities.[34] Through a collaborative process, California is developing a common methodology across all investor-owned utilities that enables the utilities to quantify the capability of the distribution system—down to the line section or node level—to integrate different types of DERs. The integration capacity analysis (ICA) quantifies the capacity of the system to integrate DER within thermal ratings, protection system limits, and power quality and safety standards. The CPUC-convened ICA Working Group published its first intermediate status report on long-term refinements that delves into data needs, interconnection issues, integration with DER growth scenarios and methods to serve peak load conditions, while also maintaining grid stability during low-load conditions.[35] The final ICA working group report is due January 31, 2017 and will be a valuable resource for the Supplemental DSIP. Pacific Gas and Electric has already provided a schedule for achieving full dynamic integrated hosting capacity analysis (ICA). The other two large California investor-owned utilities will submit schedules for developing dynamic ICAs in 2017.

Increasing Hosting Capacity

The Supplemental DSIP also does not adequately address the utilities' procedure for increasing hosting capacity in specific locations. The Commission has ordered that the Supplemental DSIP describe approaches to be used when developers request upgrades to circuits to increase hosting capacity.[36] The actual Supplemental DSIP identifies current efforts to increase hosting capacity, but does not outline any procedures for responding to specific requests to increase hosting capacity.[37] We recommend that the utilities provide this information in a revised Supplemental DSIP, and include plans for innovative approaches to increase hosting capacity.

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[32] Supplemental DSIP, at 55-57.

[33] Case 16-M-0411, IREC. Comments of the Interstate Renewable Energy Council, Inc. on the Initial Distributed System Implementation Plans, at 8-9 (September 12, 2016).

[34] California Public Utilities Commission Rulemaking 14-08-013, Order Instituting Rulemaking Policies, Procedures and Rules for Development of Distribution Resource Plans Pursuant to Public Utilities Code Section 769.

[35] California Public Utilities Commission Rulemaking 14-08-013, Integration Capacity Analysis Working Group "First Intermediate Status Report on Long-term Refinements," December 22, 2016, available at http://drpwg.org/wp-content/uploads/2016/07/R.14-08-013-ICA-Status-Report.pdf.

[36] DSIP Guidance Order Attachment 1, at 19.

[37] Supplemental DSIP, at 59-60.

Distribution Grid Operations

System Operations

The monitoring and control standards described in the Supplemental DSIP raise concerns about the potential for discriminatory curtailment of DERs. The utilities propose standards under which they may curtail DER over 50 kW at any time, without notice. Though they pledge to "put non-discriminatory processes in place" such that curtailment will not intentionally hinder DERs, the utilities do not detail what those processes would involve.[38] We acknowledge that the utilities must be permitted to immediately curtail DERs for reliability purposes, but believe that some degree of oversight is warranted to ensure that curtailment does not take place for other reasons. We recommend that the Commission establish a process whereby DER owners may appeal curtailment decisions, and the utilities are required to compensate DER owners when an instance of curtailment is shown to be discriminatory.

Interconnection Process

The Supplemental DSIP suggests that the utilities may not be making sufficiently rapid progress toward automating the interconnection process. The utilities indicate that they aim to automate all application management and SIR Technical Screening by 2017, and all other interconnection processes by 2019.[39] The longer these advances are delayed, the greater the roadblocks will be to the smooth development of DER markets envisioned by REV. We therefore recommend that the Commission press the utilities to more rapidly automate the interconnection process. We strongly agree with IREC that improved hosting capacity analysis would greatly streamline the interconnection process and urge the utilities to allow hosting capacity analyses to be used to screen interconnection applications.[40]

Customer Data

Data Sharing

The provision of customer data is one of the few realms in which the utilities' standardization efforts come up short. The utilities state that they plan to continue to use different platforms for collecting and sharing customer data, arguing that standardization "may be difficult to achieve in the near term

[38] Supplemental DSIP, at 79.

[39] Supplemental DSIP, at 64.

[40] Interstate Renewable Energy Council, Inc. (IREC). Comments of the Interstate Renewable Energy Council, Inc. on the Supplemental Distributed System Implementation Plans (January 9, 2017) [hereinafter "IREC Comments"]; Case 16-M-0411.

given the variation in utilities' starting points."[41] We understand that the utilities face challenges in unifying their data sharing procedures, but it is worth pointing out that this is one of the areas in which standardization across utilities is most important to DER providers. The utilities' unwillingness to move toward consistent data sharing processes presents an obstacle to well-functioning DER markets, and undermines the goals of REV. We recommend that, as a first step, the utilities create a secure data portal, accessible to DER providers, with granular, streamlined data in at most 15-minute intervals, and 5 minute intervals for large commercial and industrial customers.

The Supplemental DSIP indicates that Con Edison, O&R, and National Grid all plan to implement the GBC data transfer protocol over the next five years, and that NYSEG plans to implement GBC or a comparable specification.[42] We strongly support the widespread use of GBC, and recommend that the Commission require that all utilities adopt the GBC standard. This would ensure the consistency and ease of data access for DER providers. If the Commission is unwilling to adopt a specific protocol, we recommend that it at least require the implementation of all of the function blocks within the North American Energy Standards Board's Energy Services Provider Interface standard.

The utilities' reluctance to standardize data sharing processes extends to the type of data to be shared. The Supplemental DSIP declares that "it is not practical or useful at this time for the Joint Utilities to espouse a singular definition of near real-time data access."[43] Consistent definitions and clear expectations regarding the types of data to be provided by the utilities are key components of the Supplemental DSIP, which the utilities neglect in this case. It is hard to imagine what could prevent the utilities from arriving at a unified definition of "near real-time" for now, even if future advances cause that definition to change.

Data Privacy Standard

The Supplemental DSIP proposes a data sharing privacy standard that is unduly restrictive. Under the proposed standard, aggregated data may not be shared unless it consolidates data from at least 15 accounts and no one account represents more than 15 percent of total load for the data set.[44] This 15/15 standard—which the utilities themselves acknowledge to be unusually conservative[45]—would hinder important policy goals, as is more fully described in the separate comments of NRDC and Urban Green

[41] Supplemental DSIP, at 141.
[42] Supplemental DSIP, at 141.
[43] Supplemental DSIP, at 140-141.
[44] Supplemental DSIP, at 122.
[45] Id.

Council. We recommend that the Commission require the utilities to adopt a building-level data aggregation threshold of two meters.

Definition of Value-Added Data

The definition of "value-added data" proposed in the Supplemental DSIP is overly broad, and may result in the utilities being over-compensated for analyses that they already perform. The utilities define "value-added data" as anything that is not in the public domain and provided without additional analysis, and announce plans to set fees for access to such data, including "forecasted load data, voltage profiles, and power quality data."[46] Determining data fees requires balancing the goals of reducing utility-payer rates and avoiding utility customers paying for data that is only useful to certain third parties with the mandate to foster a DER market. The current utility proposal errs on the side of charging too much. Fees for access to such fundamental data as load forecasts could have a chilling effect on the nascent DER market envisioned by REV. While the utilities acknowledge that what is currently deemed to be value-added data may be reclassified as basic data in the future, it is most important to provide free data at earlier stages, when the New York DER market is still getting off the ground.[47] Whatever the definition of value-added data, we recommend that the Commission ensure that utilities are not permitted to charge both third parties and utility customers for the same costs incurred in producing and providing the data.

Stakeholder Engagement

Many of the stakeholder engagement plans proposed in the Supplemental DSIP do not allow for sufficient stakeholder input. The utilities indicate that stakeholder groups for System Data, Monitoring & Control, NYISO, and Hosting Capacity will meet once per year going forward.[48] This does not allow for sufficiently robust stakeholder engagement, particularly in the area of hosting capacity, where the utilities have not yet provided a clear plan and stakeholders have much to contribute. Similarly, the Supplemental DSIP states that stakeholder groups for Customer Data, DER Sourcing, and Electric Vehicle Supply Equipment (EVSE) will meet only once per year in 2017 and 2018, and two to three times per year thereafter.[49] Meeting once per year is not often enough in the near term for these categories, and is particularly inadequate for the complicated and evolving issues of customer data procedures and DER sourcing.

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[46] Supplemental DSIP, at 121.
[47] Supplemental DSIP, at 121-122.
[48] Supplemental DSIP, at 18.
[49] Supplemental DSIP, at 18.

We also recommend that the utilities offer an online platform that allows for ongoing, continuous engagement.

Electric Vehicle Supply Equipment

The Supplemental DSIP does not set sufficiently ambitious targets for the development of EVSE projects. The Supplemental DSIP commits the utilities to publishing an Electric Vehicle (EV) Readiness Framework within 12 months, which will include plans to identify and implement EVSE demonstration projects.[50] We acknowledge the utilities' efforts and engagement regarding EVSEs, but we believe that they should be doing more to bring EV charging infrastructure to scale in the near-term.

We recommend that the Commission establish a separate matter number finalizing the utilities' proposed EV Readiness Framework. This will centralize review of EV project proposals and will coordinate opportunities for public engagement geared toward significantly increasing EV adoption and in turn providing economic and environmental benefits to all New Yorkers.

The utilities are now at a place where they should be prepared to complete the demonstration project process in the near term, and progress toward full-scale EVSE activities. We encourage a more aggressive timeframe for utility engagement and clearer interim goals:

- **Early Spring 2017**: Filing of the utilities' proposed EV Readiness Framework, with a public comment process to follow
- **Late Spring 2017**: Finalization of the EV Readiness Framework
- **Early Summer 2017**: Deadline for the utilities to submit EV charging infrastructure demonstration projects guided by the EV Readiness Framework principles.
- **Summer 2017**: Commission evaluation/stakeholder engagement on those proposals
- **Fall-Winter 2017**: Implementation of the utilities' demonstration projects

Conclusion

As is set forth in the Track One Order and the DSIP Guidance Order, the DSIP is meant to be "the vehicle that serves as a source of public information regarding [utility] plans and objectives, including specific system needs allowing market participants to identify opportunities" and to "serve as the template for utilities to develop and articulate an integrated approach to planning, investment, and

[50] Supplemental DSIP, at 116-117.

operations."[51] The DSIP process is designed to "allow-third parties to provide cost-effective market solutions to identified energy needs, expand the use of DER, and increase energy efficiency measures."[52]

While the utilities have undeniably made progress in their Supplemental DSIP, their filing must be further improved in order to achieve the Commission's vision. The most important steps the Commission should take now to facilitate this necessary improvement are to issue a decision that (i) mandates certain modifications to the Supplemental DSIP, such as the adoption of a building-level data aggregation threshold of two meters rather than the utilities' proposed 15/15 rule, and (ii) orders the utilities to make specific improvements to the Supplemental DSIP according to a specified timeline, such as publishing more detailed load forecasts and hosting capacity analyses by July 2017.

[51] DSIP Guidance Order, at 8.
[52] *Id.*