August 6, 2018

VIA ELECTRONIC FILING
Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 15-E-0751 – In the Matter of the Value of Distributed Energy Resources
Matter 17-01276 – In the Matter of the Value of Distributed Energy Resources Working
Group Regarding Value Stack –
Comments of the Northeast Clean Heat and Power Initiative (NECHPI)

Dear Secretary Burgess:

Pursuant to the Notice Soliciting Comments on Staff Proposal and Related Matters (“Notice”) issued by the Public Service Commission (“Commission”) on May 22, 2018 in the above-referenced matter numbers, the Northeast Clean Heat and Power Initiative (“NECHPI”) hereby submits these Comments on the Proposal on Value Stack Eligibility Expansion (“Proposal”) issued by Department of Public Service Staff (“Staff”) on May 22, 2018.

Key Principle for Eligibility Expansion

NECHPI particularly endorses the principle of Technology Neutrality. It appears that Staff and some parties in the proceeding oppose applying that principle to Combined Heat and Power (“CHP”).

The Staff Report is ambivalent. It states (p.3) that:

   The determination that a particular technology or project type does not currently qualify for eligibility, either in this Proposal or by the Commission, should not be interpreted as a determination that technology or project type will not become eligible for VDER tariffs at a later point.

The Staff turns right around (p.5) and proposes to expand the value stack compensation to some technologies and project types, except for CHP. NECHPI disagrees. The proposal violates its own principle of technology neutrality.

The issue that there is no “record” in this collaborative proceeding is a red herring. There is no evidentiary record here to justify removing CHP projects (with mature technology) from Value
Stack compensation. If the “record” is the standard, then the same fate should befall two only nascent technologies that are included: standalone storage and regenerative braking.

Furthermore, Staff’s attempt to attribute potential environmental concerns to its recommendation that CHP technology be excluded from Value Stack compensation is without merit for several reasons. There are other value stack components that a CHP project can justify and are not affected by the CHP or DER project’s environmental characteristics and should not be lost. Environmental characteristics should have no bearing whatsoever on how that project is compensated for other elements within the Value Stack, such as energy and capacity.

If the regulatory agencies responsible for the permitting of a CHP project allow such project to be sited and operate, then the Public Service Commission should not discriminate against such project in terms of how it is compensated.

The principle of technology neutrality requires that all technologies be treated equitably and comparably. If eligibility for Value Stack compensation is to be expanded to include other forms of DER, such as renewables, standalone storage, and regenerative braking, then CHP technology must be included as well. Importantly, equity and comparability does not necessarily mean precisely equal treatment. Repeating our earlier point, potential environmental concerns should not be relied upon for excluding CHP projects from other components of Value Stack compensation (e.g., Energy, Capacity).

Developing the Record to Enable CHP Eligibility To Be Given Further Consideration.

Staff has proposed to work with NYSERDA and stakeholders to develop more of a record on which further decisions can be made. NECHPI is prepared to monitor this effort in order to provide CHP industry perspective and to ensure that the efficiency advantages of combined heat and power are not ignored.

Thank you for this opportunity to comment.

Northeast Clean Heat and Power Initiative (NECHPI)

By Kristin DiGirolamo
Executive Director (July 1, 2018)

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