STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service Commission held in the City of Albany on November 17, 2011

COMMISSIONERS PRESENT:

Patricia L. Acampora, Deputy Chairwoman
Maureen F. Harris
Robert E. Curry, Jr.
James L. Larocca

CASE 11-E-0318 – Central Hudson Gas and Electric Corporation
CASE 11-E-0319 - Consolidated Edison Company of New York Inc.
CASE 11-E-0320 - New York State Electric & Gas Corporation
Case 11-E-0321 - Niagara Mohawk Power Corporation d/b/a National Grid
Case 11-E-0322 - Rochester Gas and Electric Corporation
Case 11-E-0323 - Orange and Rockland Utilities, Inc.

Tariff filings to Effectuate Amendments to Public Service Law §66-j and §66-l (Remote, Micro-hydroelectric, and Fuel Cell Net Metering) and Conforming Changes to Standardized Interconnection Requirements.

ORDER MODIFYING AND AUTHORIZING REMOTE NET METERING TARIFFS, MODIFYING STANDARDIZED INTERCONNECTION REQUIREMENTS, AND REQUIRING MICRO-HYDROELECTRIC AND FUEL CELL TARIFF FILINGS

(Issued and Effective November 21, 2011)

BY THE COMMISSION:

BACKGROUND

Chapter 35 of the 2011 Laws of New York, which became effective June 1, 2011, amends Public Service Law (PSL) §§66-j and 66-l regarding the net metering of non-residential solar photovoltaic, farm waste, farm wind, and non-residential wind electric generators. The amendments provide for the application of excess generation credits from the customer's generator to other electric meters on the same or other property that is

owned or leased by the same customer, commonly referred to as "Remote Net Metering."

By Notice Establishing Filing Requirements issued June 21, 2011, the major electric utilities were directed to file tariff amendments effective October 29, 2011, in compliance with the provisions of the law as amended. The utilities requested an extension of the deadline for filing the tariff amendments in order to better understand the requirements set forth in the amended statutes. On July 18, 2011, the Secretary granted the request and issued a Notice Establishing Filing Requirements directing the utilities to file their tariff amendments on August 22, 2011 with an effective date of December 1, 2011.

Pursuant to State Administrative Procedure Act (SAPA), §202(1) Notices of the filings were published in the State Register on September 14, 2011. The public comment period provided for under SAPA §202(1)(a)expired on October 31, 2011. Timely comments in response to the were received from the Alliance for Clean Energy New York (ACE NY), Niagara Wind & Solar, Inc. (NWS) and Tracy Becker, a New York State farmer.

THE PROPOSED TARIFF FILINGS

Central Hudson Gas & Electric Corporation (Central Hudson), Consolidated Edison 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) (collectively the utilities) made proposed filings to conform their tariffs to the requirements of the amended net metering laws. The proposed filings would allow remote net metering for non-residential solar photovoltaic, farm waste, farm wind, and non-residential wind electric customer generators, to apply excess generation

credits from the customer's generator to other meters on the same or other property that is owned or leased by the same customer.

According to the filings, a remote net metering customer must designate the Host Account (the site where the eligible generator is interconnected with the distribution system) and the Satellite Account(s) (additional account(s) in the customer's name). Customers must also designate the percentage of excess credits to be applied to the Satellite Accounts and the percentage, if any, to remain at the Host Account. After the initial application for remote net metering, a customer will be able to designate additional Satellite Accounts or eliminate existing accounts and change the percentage allocation between the Host and Satellite once per year. Changes made would become effective beginning January 1.

In a month where the customer generates more electricity than is consumed at the Host Account meter, the excess energy will be converted to the equivalent monetary value at the per kWh rate applicable to the Host Account's service classification. That monetary credit will first be applied to the Host Account's electric bill and any remaining monetary credit will be allocated to the Host Account and the Satellite Account(s) based on the percentage the customer designated to remain on the Host Account until disbursed. Following the billing of the Host Account, the portion designated to the Satellite Accounts will be applied to their bills in the sequence by which the dates of their billings fall after the billing of the Host Account. Where two Satellite Accounts are

billed on the same day, the credit will be applied to the highest usage account first.[1]

If a monetary credit remains after applying credits to all designated Satellite Accounts, the credit will be carried forward on the Host Account as a monetary credit for the next billing period. The returned excess would then be applied to the Host and Satellite Accounts the following month in the same manner as previously. Originally, National Grid's fillings indicated that the utility would keep all the returned excess credits at the Host Account without applying it to Satellite Accounts in successive months. However, the utility has since submitted additional filings indicating it will apply any returned excess to Satellite Accounts in successive months, similar to other utilities.

Con Edison and O&R have published newspaper notifications to the public of the proposed changes. Central Hudson, National Grid, NYSEG and RG&E have requested waivers of the requirement of newspaper publication of their filings because customers will be notified of these changes when they submit applications for such service.

PUBLIC COMMENTS

Both ACE NY and NWS commented that the language proposed by the utilities for calculating the monetary credit that is equivalent to the applicable per kWh tariff rate is unclear. The commentators urge that the statute amendments require that the applicable full retail tariff rate be applied

[1] This approach effectuates the provisions of the statutory amendments requiring that Remote Net Metering credits be applied to highest-use meters first.

in calculating the monetary credit equivalent. Tracy Becker fully supports the comments made by ACE NY and NWS.

DISCUSSION AND CONCLUSION

The proposed tariff amendments conform the various utility tariffs to the June 1, 2011 amendments to Public Service Law §66-j and §66-l. They are approved as modified below.

Eligibility for Remote Net Metering

As mentioned above, the amendments to PSL §§66-j and 66-l allow Remote Net Metering for non-residential solar photovoltaic, farm waste, farm wind, and non-residential wind electric customer generators. The Notice Establishing Filing Requirements erroneously listed farm solar customers as also eligible for remote net metering; the net metering statutes do not provide for that customer classification. Central Hudson and National Grid included farm solar customers as eligible for Remote Net Metering; they shall remove the reference to farm solar customers from their tariffs.

Host Account's Rate

Con Edison and O&R have both included language in their proposed tariff amendments stating that the Host Account's applicable rate will be based on the customer's maximum use of the respective company's system. PSL §§66-j and 66-l and the existing tariffs for net metering state that the rates offered to customer generators eligible for net metering are to be the same as the rates provided to other customers in the applicable service class who do not generate electricity. The language Con Edison and O&R propose conflicts with the statutory tariff principles. As a result, Con Edison and O&R are directed to file further revisions that clarify that any net metered credits are to be applied as the same rate provided to other customers in the service class of the net metered customer-generator.

This modification addresses any concern that the commentators may have about the appropriate rate to be applied to net metered accounts. The tariffs submitted by the utilities other than Con Edison and O&R provide for the correct rate, in conformance with our recent decision[2] on the proper rates to be applied in calculating net metered tariffs and need no further revisions concerning this issue.

Other Issues

Con Edison, O&R, NYSEG and RG&E would exclude accounts with a levelized/budget payment plan from being a Host or a Satellite Account. This exclusion shall be removed from the tariffs. Our regulations require that the utilities to provide levelized/budget billing plans and nothing in the statutory amendment PSL §§66-j and 66-l provide for treating remote net metering customers differently.[3]

Moreover, the utilities have not justified excluding levelized/budget billing customers from Remote Net Metering. Although allowing accounts with levelized/budget billing to qualify as a Host or Satellite Account may add a level of complexity to the billing and crediting process, it is not expected that significant numbers of customers taking levelized/budget billing will also desire to participate in Remote Net Metering. It is unlikely that many levelized/budget billed customers will be able to benefit from Remote Net Metering. To the extent there is some demand to participate in both the utilities should be able to develop appropriate systems or procedures to address such requests, on an individual basis if necessary.

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[2] Case 10-E-0645, Net Metered Customer Billing and Crediting, Order Directing Tariff Revisions and Making Other Findings (issued May 23, 2011).

[3] 16 NYCRR §11.11 and §13.6

Con Edison proposes to exclude bi-monthly billed customers from Remote Net Metering. NYSEG and RGE propose to exclude arrears on Host or Satellite Accounts from the otherwise-applicable offset of excess credits against all amounts on a customer's bill. The utilities are directed to remove these exclusions from the tariffs. Nothing inherent in bi-monthly billing excludes such an account from eligibility for Remote Net Metering. Credits from Remote Net Metering are of general application and are properly assessed against all of the utilities' electric charges including arrears.

In contrast, Con Edison may implement its proposal to restrict Remote Net Metering for customers taking service under the Economic Development Delivery Service (EDDS) Rate Schedule, SC 15-RA of the Retail Access Rate Schedule (Delivery Service to Governmental Agencies), or Special Provision 16 of the PASNY Rate Schedule. Under the proposal, those customers may designate a Satellite Account to receive excess credits only to the extent that that account has usage in excess of that served under the three rate schedules. The restriction is appropriate because these tariffs facilitate the delivery of electric energy to business and governmental customers from the New York Power Authority and other governmental sources. We do not exercise jurisdiction over the supply of the electric energy itself from these sources to these customers.

SIR Changes

Our Standardized Interconnection Requirements (SIR) for distributed generation units operating in parallel with the electric utility distribution systems were first adopted in 1999.[4] As part of ongoing reviews of the requirements, substantive revisions were proposed and adopted, most recently

[4] Case 94-E-0952, Competitive Opportunities Regarding Electric Service, Opinion No. 99-13 (issued December 31, 1999).

in 2009 and 2010.[5] Here, we direct the modifications to the SIR needed to reflect the amendments to Public Service Law (PSL) §66-j and §66-lthat provide for Remote Net Metering. No other modifications or substantive changes to the SIR are necessary at this time.

Additional Compliance Filings

Besides the amendments to PSL §66-j and §66-l providing for remote net metering enacted in 2011, PSL §66-j was also amended further in 2011 to provide for the net metering of micro-hydroelectric and fuel cell generating facilities.[6] These amendments are straight forward applications of the existing PSL §66-j statutory provisions to forms of generation newly eligible for net metering.

Revision of utility tariffs to accommodate the micro hydroelectric and fuel cell generating facilities shall be accomplished through these proceedings. Utilities are directed to file amendments to their tariffs making the requisite changes providing for the net metering of the micro-hydroelectric and fuel cell facilities newly eligible for net metering under the statutory changes. The filings shall be made in these proceedings by December 21, 2011, with an effective date of April 1, 2012 Revisions to the SIR necessary to accommodate these changes will be addressed at the same time as the statutory changes.

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[5] Case 09-E-0819, et al., Net Metering of Micro-Gen Facilities, Order Modifying and Authorizing Micro-Gen Net Metering Tariffs (issued February 12, 2010); Case 08-E-1018, Standard Interconnection Requirements, Order Modifying Standard Interconnection Requirements, (issued February 13, 2009).

[6] Respectively, 2011 Laws of New York, Ch. 546, effective September 23, 2011 and 2011 Laws of New York, Ch. 530, effective September 23, 2011.

The Commission orders:

1. The tariff amendments listed in the Appendix are authorized to become effective on a permanent basis, provided the electric utilities listed in the body of this Order file, by November 28, 2011, modifications to the listed tariff amendments in conformance with the discussion in the body of this Order, to become effective on December 1, 2011.

2. All electric utilities listed in the body of this Order are directed to file tariffs providing for the net metering of micro-hydroelectric and fuel cell generating facilities in accordance with the discussion in the body of this Order by December 21, 2011, to become effective on April 1, 2012.

3. Niagara Mohawk Power Corporation d/b/a National Grid's filings made November 3 and November 9, 2011 are authorized to become effective on less than statutory notice on December 1, 2011.

4. All electric utilities listed in the body of this Order are directed to comply with the revised Standardized Interconnection Requirements (SIR), available at http://www.dps.state.ny.us/Modified_SIR_2-11-10_Clean.pdf, to file revised SIR addenda to the tariffs to reflect the changes to the tariffs listed in the Appendix by November 28, 2011, to become effective on December 1, 2011.

5. The requirements of §66(12)(b) of the Public Service Law, as to newspaper publication of the amendments listed in the Appendix are waived for the utilities requesting such waiver as listed in the body of this Order, and are waived for the additional tariff amendments required by Ordering Clauses No. 1.

6. The deadlines provided for in this Order may be extended as the Secretary may require.

7. These proceedings are continued.

By the Commission,

Jaclyn A. Brilling
Digitally Signed by Secretary
New York Public Service Commission

JACLYN A. BRILLING
Secretary

SUBJECT: Filing by CENTRAL HUDSON GAS & ELECTRIC CORPORATION

Amendments to Schedule P.S.C. No. 15 – Electricity

Original Leaves Nos. 163.5.8, 163.5.9, 163.5.10
First Revised Leaves Nos. 163.5.6, 163.5.7
Third Revised Leaf No. 213.2
Fifth Revised Leaf No. 171.1
Sixth Revised Leaf No. 167.2
Seventh Revised Leaves Nos. 188, 190
Tenth Revised Leaf No. 174

Issued: August 22, 2011 Effective: December 1, 2011

Seventeenth Revised Leaf No. 3

Issued: August 24, 2011 Effective: December 1, 2011

First Revised Leaf No. 163.5.8
Second Revised Leaf No. 163.5.7

Issued: October 27, 2011 Effective: December 1, 2011

NEWSPAPER PUBLICATION: Waived.

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

Amendments to Schedule P.S.C. No. 9 – Electricity

Second Revised Leaf No. 158-I-5
Third Revised Leaves Nos. 57, 158-I-4
Ninth Revised Leaves Nos. 158-I-2, 158-I-3
Twelfth Revised Leaves No. 158-I-l
Thirteenth Revised Leaf No. 158-I

Issued: August 22, 2011 Effective: December 1, 2011

NEWSPAPER PUBLICATION: September 12, 19, 26 and October 3, 2011.

SUBJECT: Filing by NEW YORK STATE ELECTRIC & GAS CORPORATION

Amendments to Schedule P.S.C. No. 120 – Electricity

Original Leaves Nos. 117.0, 117.0.1, 117.2.4, 117.2.5,
117.33.1, 117.22.2
Sixth Revised Leaf No. 117

Issued: August 22, 2011 Effective: December 1, 2011

First Revised Leaves Nos. 117.0, 117.2.4

Issued: November 1, 2011 Effective: December 1, 2011

NEWSPAPER PUBLICATION: Waived.

SUBJECT: Filing by NIAGARA MOHAWK POWER CORPORATION D/B/A NATIONAL GRID

Amendments to Schedule P.S.C. No. 220 – Electricity

Original Leaves Nos. 199.2, 199.3, 202.1, 202.2
Second Revised Leaf No. 199.1
Third Revised Leaf No. 202

Issued: August 22, 2011 Effective: December 1, 2011

First Revised Leaves Nos. 199.2, 199.3, 202.1, 202.2

Issued: November 3, 2011 Effective: December 5, 2011

Second Revised Leaves Nos. 199.3, 202.2

Issued: November 9, 2011 Effective: December 12, 2011

NEWSPAPER PUBLICATION: Waived.

SUBJECT: Filing by ORANGE AND ROCKLAND UTILITIES, INC.

Amendments to Schedule P.S.C. No. 2 – Electricity

Original Leaf No. 22L-26A
Third Revised Leaves Nos. 22L-23A, 22L-36, 22L-37
Fourth Revised Leaves Nos. 16M, 22L-33
Fifth Revised Leaves Nos. 22L-24, 22L-25, 22L-26, 22L-35
Seventh Revised Leaf No. 22L-23

Issued: August 22, 2011 Effective: December 1, 2011

NEWSPAPER PUBLICATION: September 14, 21, 28 and October 5, 2011

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SUBJECT: Filing by ROCHESTER GAS AND ELECTRIC CORPORATION

Amendments to Schedule P.S.C. No. 19 – Electricity

Original Leaves Nos. 160.38.1, 160.38.2, 160.39.3.1, 160.39.3.2, 160.39.4.1, 160.39.4.2
Fifth Revised Leaf No. 160.38
Sixth Revised Leaf No. 160.39.3

Issued: August 22, 2011 Effective: December 1, 2011

First Revised Leaves Nos. 160.38.1, 160.39.3.1, 160.39.4.1

Issued: November 1, 2011 Effective: December 1, 2011

NEWSPAPER PUBLICATION: Waived.