IPWG/ITWG COMMENTERS RESPONSE TO THE SAPA NOTICE AND THE
NEW YORK PUBLIC SERVICE COMMISSION’S ORDER GRANTING CLARIFICATION

I. Introduction

IPWG/ITWG Commenters requesting clarification of the revised New York State Standardized Interconnection Requirements (“SIR”). These comments also respond to the New York Public Service Commission’s (“Commission”) direction in its *Order Granting Clarification* ("Clarification Order") that the IPWG and ITWG discuss and make proposals with respect to the revised SIR. As in their other filings in this proceeding, the constituent members of the IPWG/ITWG Commenters make this filing consistent with their continued collaborative participation both together and with the Department of Public Service Staff (“Staff”) and the New York State Energy Research and Development Authority to develop working solutions to improve implementation and overall effectiveness of the SIR.

The IPWG/ITWG Commenters respond to the Commission’s expectation that the “IPWG and ITWG will propose a timeline for submission of as-built drawings and clarify the sequence of these submittals and the utility’s final cost reconciliation.” Additionally, the IPWG/ITWG Commenters respond to the Commission’s request for comment on the treatment of the application fee in the reconciliation process. The IPWG/ITWG Commenters also respond herein to the Commission’s suggestion that the IPWG discuss parameters governing the uses of the 25 percent construction down payment. Lastly, the IPWG/ITWG Commenters address payment for upgrades in cases where an application passes the relevant screens, another issue the

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3 SIR Proceeding, Clarification Order, p. 13.
4 Id.
5 Id., p. 12.
Commission also noted as appropriate for further IPWG consideration in the Clarification Order.  

II. As-built Drawings, Reconciliation Language, and Subtraction of Application Fees

As noted above, in response to the Commission’s guidance, the IPWG/ITWG Commenters have worked together and with Staff to develop proposed edits to Step 11 of the SIR to address as-built drawings, reconciliation process, and application fees.

The IPWG/ITWG Commenters and Staff agree that the requirement of final as-built drawing submittal by the applicant before the reconciliation process will allow utilities to update their records to reflect the actual field conditions and appropriately charge the project for completing the required tasks for project closeout. This approach will not add any additional burden on applicants nor will it cause any adverse effects on the interconnected projects.

In the current SIR, the cost reconciliation requires a deduction of the application fee. The application fee is a fixed amount ($750) and the hours associated with processing applications are not currently tracked by the utilities. The application fee deduction requirement will require utilities to track the actual hours spent and then reconcile those resulting costs to the application fee paid, which adds additional work for utilities and uncertainty and increased administrative costs for the applicants.

Therefore, the IPWG/ITWG Commenters recommend the following edits to Step 11 of the revised SIR, as tracked below, for adoption by the Commission in order to improve the effectiveness of SIR implementation:

6 Id.
If the utility witnessed the verification testing, then, within ten (10) Business Days of the completion of such testing, the utility will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system. If the utility did not witness the verification testing, then, within ten (10) Business Days of receiving the written test notification from Step 9, the utility will either issue to the applicant a formal letter of acceptance for interconnection, or will request that the applicant and utility set a date and time to witness operation of the DG system. This witnessed verification testing must be completed within twenty (20) Business Days after being requested. Within ten (10) Business Days of the completion of any such witnessed testing, the utility will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the DG system. Within sixty (60) Business Days after issuance of the utility’s formal letter of acceptance or submittal of final as-built drawings to the utility, whichever occurs last, the utility shall prepare and submit to the applicant a final reconciliation statement of its actual costs minus the application fee and less any CESIR and construction advance payments made by the applicant. Within twenty (20) Business Days after delivery of the final reconciliation statement, the applicant will receive either a bill for any balance due or a reimbursement for overpayment from the utility as determined by the utility’s reconciliation. The applicant may contest the reconciliation with the utility. If the utility’s final reconciliation invoice states a balance due from the applicant, unless it is challenged by a formal complaint interposed by the applicant, it shall be paid to the utility within thirty (30) Business Days or the utility reserves the right to lock the generating system offline. If the utility’s final reconciliation invoice states a reimbursement for overpayment to be paid by the utility, unless the reimbursement amount is challenged by a formal complaint interposed by the applicant, it shall be paid the applicant within thirty (30) Business Days. If the applicant is not satisfied, a formal complaint may be filed with the Secretary to the Commission.

III. 25 Percent Construction Payment

In compliance with the Clarification Order, the IPWG/ITWG Commenters worked to develop clarification regarding the 25 percent construction payment. To that end, the IPWG/ITWG Commenters agree that the applicant should reasonably control the work tasks to be performed by the utility with the 25 percent down payment itself to be managed consistently with the parameters regarding control as described in Appendix A of the revised SIR.

7 Capitalized terms in this filing refer to defined terms in the revised SIR.
In making the above recommendation, the IPWG/ITWG Commenters developed a task list (Attachment A) that provides applicants with a high-level summary of work tasks to be performed by the utility with the 25 percent construction payment. The utility will initiate Tasks 1 through 3 as the default unless the applicant specifies and submits an alternative request along with the payment submission. Commencement of Task 4 will require mutual agreement between the utility and the applicant as some utilities will require full interconnection payment before starting the final design [emphasis added]. For purposes of the utility’s determination of whether to move forward with an optional task, a task may not be subdivided beyond what is specified in the task header. For example, initiation of Task 4, “Commence utility design work,” will result in the Utility starting all utility design work without subdivision into specific aspects of design.

As the tasks listed in Attachment A are mostly analogous to Section D in the revised SIR, the IPWG/ITWG Commenters recommend that Attachment A, an illustrative list of the 25 percent construction payment task list, be posted on each utility’s website as well as the IPWG website, rather than incorporated within the SIR.

Attachment A will provide the applicant with the essential details to allow for reasonable control of the initial spending on their project.

IV. Payment for Upgrades after Passing Preliminary and/or Supplemental Screening Analysis

In compliance with the Clarification Order, the IPWG/ITWG Commenters have worked together to clarify the payment process that will apply when upgrades may be required for an interconnection even if the preliminary and supplemental screens of Appendix G are passed. For example, dedicated transformer installations may be required per Appendix E that fall outside of the scope of the Preliminary or Supplemental Screening Analysis.
The IPWG/ITWG Commenters recommend adding language to Step 4 of the SIR to clarify that even projects that pass the relevant screens may require upgrades. In such a case, the payment timelines and contracting rules established in Section D of the SIR should apply. To accomplish this goal, the IPWG/ITWG Commenters proposed the inclusion of the following paragraph at the end of Step 4 in the revised SIR:

If Interconnection Facilities or Distribution Upgrades are required to interconnect a proposed system that passes the relevant screens, the utility shall provide the applicant with a non-binding cost estimate of any Interconnection Facilities or Distribution Upgrades within fifteen (15) Business Days of the Preliminary and/or Supplemental Screening Analysis. The applicant will pay the cost estimate as provided in Section D.

V. Conclusion

To improve the implementation and overall effectiveness of the SIR, the IPWG/ITWG Commenters respectfully urge the Commission to adopt the foregoing recommendations.

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Respectfully submitted,

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Appendix A

25 Percent Construction Payment Task List:

This list provides applicants with a high-level summary of work tasks to be performed by the utility with the 25 percent construction payment. These tasks will be initiated as the default unless the applicant specifies an alternative request with its payment submission. For purposes of determining whether to move forward with an optional task, a task may not be subdivided beyond what is specified in the header, e.g., initiation of Task 4, “commence utility design work,” will result in starting all required utility design work and this task cannot be subdivided into specific aspects of design.

1. Within 15 Business Days of receiving the 25 percent payment, the utility will
   a. Process the payment and send receipt of payment to the applicant,
   b. Send a signed New York State Standardized Interconnection Contract (Appendix A) electronically to the applicant, and
   c. Send written confirmation about the compensation eligibility of the project to the applicant.

2. Within 30 Business Days of receipt of the 25 percent construction payment, the utility will develop and provide an initial construction schedule to the applicant (consistent with Appendix K).

3. After receipt of the signed contract (Appendix A) from the applicant, to initiate the project the utility will
   a. Establish an accounting framework for the project by, for example, assigning a funding number and/or a work order, and
   b. Assign a project manager.

4. Upon mutual agreement between the utility and applicant, the utility will commence design work and complete the following tasks:
   a. Assign design resources and begin project design for
      i. Distribution line(s), and
      ii. Substation(s).
   b. Schedule an initial site visit,
   c. Review and work with the applicant to finalize the applicant’s design package, and
   d. Identify the need for any permits/easements required for connecting the project.