October 22, 2018

Via Electronic Filing

Hon. Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 11223


CASE 15-E-0082 – Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions For Implementing a Community Net Metering Program.

Staff Whitepaper on Future Community Distributed Generation Compensation

Dear Secretary Burgess:

Drift Marketplace, Inc. (“Drift”) files this comment in response to the Staff Whitepaper on Future Community Distribution Generation Compensation, issued July 26, 2018.

Respectfully Submitted,

/s Natara G. Feller
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In the Matter of the Value of Distributed Energy Resources) Case 15-E-0751
Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions for Implementing a Community Net Metering Program) Case 15-E-0082

COMMENTS OF DRIFT MARKETPLACE, INC.

Drift Marketplace, Inc. ("Drift") is a licensed electric supplier with the New York Public Service Commission ("Commission") and is actively serving customers within the Con Edison territory. Drift also provides aggregation and energy management services for distributed energy resources (DERs) and was a finalist in the recent Westchester CCA bid.\(^1\) The ultimate mission of Drift is to contribute to the creation of a marketplace where purchasers of energy, including and especially mass-market customers, are not just consumers but “prosumers,” where customers view energy not solely as kilowatts used but as services provided, and to an energy marketplace that offers an even playing field for all.

A successful, competitive prosumer marketplace is one where all customers – no matter their location on the grid or customer class – have viable choices in purchasing energy supply and managing their energy usage. Such a marketplace requires both utilities and private enterprise to diversify the types of products and services offered, which in turn demands a marketplace flexible enough to incorporate new technology and energy services. Equally critical to the development of such services is transparency, in terms of pricing as well as providing clear and easily accessible consumer information (on utility websites as well as energy service companies).

\(^1\) Case 14-M-0564 (Petition of Sustainable Westchester for Expedited Approval for the Implementation of a Pilot Community Choice Aggregation Program within the County of Westchester).
Drift supports the Commission’s Community Distributed Generation (“CDG”) initiative to increase the market penetration of community distribution across utility territories, as well as its objective to expand access to the distributed energy market to those traditionally unable to participate: renters, customers in urban areas, and medium-to-low income customers. In furtherance of that effort, Drift also supports the specific recommendations outlined in Staff’s CDG Whitepaper, to reallocate remaining capacity to new tranches and/or enhance the Market Transition Credit (“MTC”) incentive amount where appropriate.²

That there is a real market for (and strong consumer interest in) distributed generation and resilient grid alternatives is evidenced by the speed with which the initial three MTC tranches were filled (followed by a fourth tranche added in January 2018, and the now proposed additional fifth and sixth tranches).³

Drift also supports Staff and Commission efforts to identify alternatives to creating additional MTC compensation tranches for community distributed generation. In fact, Drift strongly believes that without support for a market that encourages new market entrants and includes significant changes to the utility model status quo, it is unlikely that the targets set forth by the Commission and under REV will be met.⁴ It is unrealistic and unfair to expect utilities optimally perform both as Providers of Last Resort required to ensure ‘just and reasonable rates’ and innovative start-ups developing new products.

As a venture-backed start up, Drift selected New York as its initial state of market entry because of the potential envisioned in the Reforming the Energy Vision (“REV”) initiative to rethink the way energy is generated, transmitted, and consumed. To that end, Drift strives to

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² Staff’s specific recommendations include: (1) For NYSEG, RG&E, and National Grid, remaining capacity within each territory should be reallocated and divided between two new Tranches, Tranche 5 and 6, with enhanced MTC values of 3¢/kWh for Tranche 5 and 2.5¢/kWh for Tranche 6; (2) For Con Edison, all three existing Tranches should have enhanced MTC values (increase the MTC of Tranche 1 to 14.35¢/kWh, Tranche 2 to 10.54¢/kWh, and Tranche 3: 9.29¢/kWh; and (3) For O&R and Central Hudson, that new CDG projects should receive an additional up-front incentive. Staff CDG Whitepaper, at 6.

³ For example, Orange & Rockland filed notice in April 2017 that it had already reached 80% of its 12MW cap, with Central Hudson filing notice of the same in December 2017. Case 15-E-0751, Order Regarding Compensation of Community Distributed Generation Projects (issued and effective January 18, 2018).

⁴ Targets include: 1500MW of energy storage by 2025; 2.4GW of offshore wind by 2030; and 50% renewable energy by 2030.
continuously improve and evolve its current energy products and services, from RECs generated and matched to individual customer load, to alternative power-purchase agreements that can allow large customers to purchase future energy.

Drift supports Staff’s recommendation to increase and/or amend the Market Transition Credits for qualifying Community Distributed Generation projects, as well as exploration of MTC alternatives (including market-based alternatives) and looks forward to contributing to the growth of New York as a leader in distributed energy generation and innovation.

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