In the Matter of Proposed Amendments to the New York State Standardized Interconnection Requirements (SIRs) For Small Distributed Generators Case 18-E-0018

In the Matter of the Value of Distributed Energy Resources Case 15-E-0751

INITIAL COMMENTS OF THE IPWG/ITWG COMMENTERS TO THE COMMISSION’S NOTICE SOLICITING COMMENTS ON PROPOSED MODIFICATIONS TO THE STANDARDIZED INTERCONNECTION REQUIREMENTS (SIR)

Dated: March 12, 2018
INITIAL JOINT COMMENTS OF THE IPWG/ITWG COMMENTERS ON THE COMMISSION’S NOTICE SOLICITING COMMENTS ON PROPOSED MODIFICATION TO THE STANDARDIZED INTERCONNECTION REQUIREMENTS (SIR)

In response to the Public Service Commission’s (“Commission”) January 11, 2018 Notice Soliciting Comments on the Proposed Modifications to the New York State Standardized Interconnection Requirements (SIR) (the “Notice”),\(^1\) the undersigned participants have worked collaboratively as part of the Interconnection Policy Working Group (“IPWG”) and Interconnection Technical Working Group (“ITWG”) (collectively, the “IPWG/ITWG Commenters”) to develop these consensus comments. The consensus comments address the specific questions that were raised in the Notice as well as a number of other changes proposed by the IPWG/ITWG Commenters which will materially improve the SIR as well as improve the interconnection process for projects. The IPWG/ITWG Commenters have not reached consensus on comments regarding the Technical Screens in Appendix G. Therefore these

\(^1\) Cases 18-E-0811 et al., In the Matter of Proposed Amendments to the New York State Standardized Interconnection Requirements (SIRs) for Small Distributed Generators (“Amended SIR Proceeding”), Notice Soliciting Comments on the Proposed Modifications to the Standardized Interconnection Requirements (SIR) (issued January 11, 2018)(“Notice”).
comments will not address Appendix G and parties will be submitting separate comments specifically on the Technical Screens.

**Response to Specific Questions Included in the Notice**

The Notice asked commenters to address several specific questions. The questions center around two main topics: insurance requirements for distributed generation (“DG”) and incorporation of energy storage systems (“ESS”) facilities into the SIR, as well as construction payments and milestones to better align the SIR process with local siting processes for such projects.

With regard to the specific questions surrounding insurance requirements, the IPWG has been working on this topic for almost a year. As a result of these efforts the IPWG/ITWG Commenters’ consensus proposal regarding insurance requirements has been included in the tracked changes (i.e., redlines) to Staff’s December 20, 2017 proposed amendments to the *New York State Standardized Interconnection Requirements and Application Process for New Distributed Generators and Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems* (the “IPWG/ITWG Commenters’ SIR Redlines”) filed with these comments today. Specific insurance thresholds and requirements have been proposed for all DG and ESS facilities with an alternating current (“AC”) nameplate rating of 300 kW and greater, while continuing to recommend that adequate levels of insurance be procured by Interconnection Customers for facilities under 300 kWAC. The provisions also address insurer requirements, evidence of insurance, self-insurance, notice obligations, limitation of liability, indemnity, and consequential damages. The details of this comprehensive proposal are included in Appendix A of the IPWG/ITWG Commenters’ SIR Redlines.

Addressing the questions in the Notice related to the construction payments and milestones, the IPWG/ITWG Commenters again have developed a consensus comprehensive
proposal that is included in the IPWG/ITWG Commenters’ SIR Redlines. The proposal establishes timelines and payments thresholds for all DG and ESS facilities above 50 kWAC which either do or do not go through the Coordinated Electric System Interconnection Review (“CESIR”) process. These changes are proposed to better align payment milestones with the local project permitting process, establish appropriate payment levels for all projects, and provide consistent project construction schedule information to the Interconnection Customer. The proposed updates for timelines and payments applicable to projects >50kW AC include the following:

- Establish a 25 percent payment option for all projects with estimated upgrade costs greater than $10,000, whether or not they go through the CESIR process.
- For projects with estimated upgrade costs greater than $10,000 that do not go through CESIR review, the 25 percent payment shall be due 90 business days from receipt of cost estimate, with the option to request a one-time 30-business-day extension of this payment due date with the submittal of a Payment Extension Request – Permit Attestation Form, which is included as new Appendix M in IPWG/ITWG Commenters SIR Redlines filed with these consensus comments.
- For projects with interconnection costs greater than $10,000 that do go through CESIR, the 25 percent payment date has been extended from the current 60 business days to 90 business days.
- All projects will receive 120 business days from confirmation of receipt of the 25 percent payment to issue payment for the remaining 75 percent (constitutes no change for projects that go through the CESIR process).
- In all cases the payments made by the Interconnection Customer are refundable
to the extent that they have not yet been expended or otherwise committed by
the Utility. With the 25 percent payment (or 100 percent payment for those
projects with estimated upgrade costs less than $10,000) the utility will provide
the Interconnection Customer a confirmation of payment, an initial construction
schedule within 30 business days in a format consistent with newly developed
Appendix L, and a communication from the utility within 15 business days
describing the compensation for which the facility would be eligible.

- Within 15 business days of receiving the 25 percent payment (or 100 percent
  payment for those projects with estimated upgrade costs of $10,000 or less) the
  Utility will forward to the Interconnection Customer a signed New York State
  Standardized Interconnection Contract, including project size, data of the
  associated study and storage details if applicable (Appendix A and Attachment I
  of the IPWG/ITWG Joint Commenters’ SIR Redlines filed with these consensus
  comments). Interconnection Customers will then have 15 business days to
  return a fully executed contract to the utility (projects with upgrade costs greater
  than $10,000 will retain a 15-business-day contract execution timeline
  extension option).

- Update existing Appendix I, wherein a 75 percent payment extension is
  available for projects in jurisdictions with a moratorium in place, to include
  jurisdictions actively developing new planning or zoning laws and/or processes
  resulting in a de facto moratorium. This update reflects the original intent of
  the moratorium extension.

Additional Recommended Changes

In addition to the updates described above, the IPWG/ITWG Commenters recommend
several additional further changes to Staff’s December 20, 2017 proposed amendments to the SIR. All of these proposed changes are detailed in the IPWG/ITWG Commenters’ SIR Redlines filed with these consensus comments, significant changes are summarized below:

- Recommend the a single Interconnection Contract be established that would be utilized for any DG and/or ESS facility as included as Appendix A and eliminate Appendix A1
- Indicate that nameplate ratings are in AC for clarity
- Establish a definition of an Interconnection Customer to replace the previous terms, Customer-Generator and applicant, correlating with best practice
- Allow Utility an extension of up to an additional forty (40) business days for a CESIR associated with DG and ESS facilities
- Add clarity related to protection and control systems for ESS facilities
- Add requirements for notice by the Interconnection Customer to the Utility for planned shutdowns, forced outages, and permanent shutdowns
- Provide additional details on harmonic limits for DG and ESS facilities

Finally, the IPWG/ITWG Commenters recommend against including the “Rules for Combining DG Applications” within the SIR at this time. Instead, recognizing the Commission’s recent expansion of Value Stack compensation eligibility for systems up to 5 MWAC, the IPWG/ITWG Commenters strongly support issuing rules for combining DG applications on a limited basis. While guidelines for combining projects certainly belong in the SIR, the IPWG/ITWG Commenters request the opportunity to address the process within the context of establishing comprehensive rules for combining projects and making material modifications to facilities, which is a priority 2018 IPWG agenda topic. At this time, the

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IPWG/ITWG Commenters recommend that the rules for combining projects, incorporating the proposed changes included in the IPWG/ITWG Joint Commenters’ SIR Redlines, be issued coincident with this SIR update and offered on a limited-time basis for up to 120 business days following a Commission order.

Conclusion

The IPWG/ITWG Commenters appreciate the opportunity to provide these consensus comments that are expected to materially improve the SIR and improve interconnection process for projects in New York.

Dated: March 12, 2018

Respectfully submitted,

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