March 12, 2018

VIA ELECTRONIC DELIVERY

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, New York 12223-1350

RE: Case 18-E-0018 – In the Matter of Proposed Amendments to the New York State Standardized Interconnection Requirements (SIRs) for Small Distributed generators.

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

Initial Comments of PSEG Long Island

Dear Secretary Burgess:

Pursuant to the Notice Soliciting Comments on Proposed Modifications to the Standardized Interconnection Requirements issued by the Commission on January 11, 2018 in the above-referenced matter, PSEG Long Island LLC (“PSEG Long Island”), on behalf of the Long Island Power Authority (“Authority”), hereby submits its initial comments.

Respectfully submitted,

/s/ Jeffrey R. Greenblatt

Jeffrey R. Greenblatt
Attorney for PSEG Long Island LLC

Enc.

cc: All parties
STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of Proposed Amendments to the
New York State Standardized Interconnections
Requirements (SIRs) for Small Distributed
Generators

Case 18-E-0018

In the Matter of the Value of Distributed
Energy Resources

Case 15-E-0751

COMMENTS OF PSEG LONG ISLAND LLC

Dated: March 12, 2018
Uniondale, New York
I. INTRODUCTION

In response to the Notice Soliciting Comments on Proposed Modifications to the Standardized Interconnection Requirements issued by the New York Public Service Commission (the “Commission”) on January 11, 2018 in the above referenced proceeding, PSEG Long Island LLC (“PSEG Long Island”), on behalf of the Long Island Power Authority (“Authority”), hereby submits these comments concerning the proposed New York State Standardized Interconnection Requirements and Application Process for New Distributed Generators and Energy Storage Systems 5MW or Less Connected in Parallel with Utility Distribution Systems (“SIRs”) filed by the Department of Public Service Staff (“Staff”) on December 20, 2017 in the above captioned proceedings. In the Notice Soliciting Comments, commenters were asked to address nine (9) specific questions regarding the SIR. While the SIR is not applicable to the Authority, there’s a Smart Grid Small Generator Interconnection Procedures (“Smart Grid SGIP”), which PSEG Long Island administers on behalf of the Authority, that provides a framework for processing applications for interconnection to the Authority’s Distribution System of interconnection of new
or modified distributed generation facilities with a nameplate rating 10 MW or less aggregated
on the customer side of the point of common coupling.

II. COMMENTS

Given that the Smart Grid SGIP is substantively very similar to the SIR, PSEG Long Island
submits these responses to the nine (9) specific questions posed in the January 11 Notice based
on experience with the Smart Grid SGIP:

1. Notice Soliciting Comments Question 1: Should the owner of the distributed
generation or energy storage facility carry commercial general liability insurance
during the term of the interconnection agreement?

PSEG Long Island Response to Question 1: PSEG Long Island recommends that every
owner of the distributed generation or energy storage facility should carry commercial general
liability insurance during the term of the interconnection agreement. This is the position that
PSEG Long Island has memorialized in its SGIP: “the Customer is not required to provide
general liability insurance coverage as part of this Agreement, the Smart Grid SGIP, or any other
LIPA requirement. Due to the risk of incurring damages however, LIPA recommends that every
distributed generation customer protect itself with insurance”. Further, the SGIP also carves out
specific instances where PSEG LI can require insurance “[w]ith respect to a Customer who owns
and/or operates solar, Farm Waste, Micro-Combined-Heat-and-Power, Micro-Hydroelectric,
Fuel Cell, Wind, or Hybrid Electric Generating Equipment (as these terms are defined in the
LIPA Tariff), PSEG Long Island may require the Customer to: ...(iii) Purchase additional
liability insurance when the total rated generating capacity of the electric generating equipment
that provides electricity to LIPA through the same local feeder line exceeds twenty (20%) of the
rated capacity of the total feeder line.”
2. **Notice Soliciting Comments Question 2**: If so, what levels of coverage are reasonable in light of the potential risks?

*PSEG Long Island Response to Question 2*: Potential risks include, among other things, any third party can have access to the site and the contractor can cause damage. PSEG Long Island supports the following amounts as being reasonable: (i) $1 Million for Workers Compensation; (ii) $3 Million for Excess Liability; and (iii) $1 Million for Auto Insurance. Based on our experience these amounts are reasonable in light of the potential risks.

3. **Notice Soliciting Comments Question 3**: Should the interconnecting utility be a “named insured” under the facility owner’s policy?

*PSEG Long Island Response to Question 3*: PSEG Long Island supports the interconnecting utility being an “additional insured” under the facility owner’s policy. Being an “additional insured” would provide the interconnecting utility with added coverage.

4. **Notice Soliciting Comments Question 4**: Should facility owners be allowed to self-insure?

*PSEG Long Island Response to Question 4*: As long as the facility owner is financially sound based on the utility’s criteria, PSEG Long Island sees no reason why the facility owner should not be allowed to self-insure.

5. **Notice Soliciting Comments Question 5**: Do the SIRs construction cost payment milestones align with local siting processes?

*PSEG Long Island Response to Question 5*: Based on a review of the SIR, it does not appear that the SIRs construction cost payment milestones align with local siting processes.

6. **Notice Soliciting Comments Question 6**: How might the interconnection process be improved to better align with local siting processes?

*PSEG Long Island Response to Question 6*: One suggestion for improving the interconnection process to better align with local siting processes is to require a deposit payment that’s less than 100% followed by progress payments. For example, in the Smart Grid SGIP,
PSEG Long Island is not required to procure any equipment or materials associated with the project or begin construction until 30% deposit payment has been received. After that, progress payments will be required during construction and, after COD, any excess construction costs will be reconciled and invoiced to the Applicant and any unspent balance will be refunded to the Applicant.

7. Notice Soliciting Comments Question 7: How much time should a developer have to obtain local siting approvals after making a down payment on utility construction costs?

PSEG Long Island Response to Question 7: While PSEG Long Island agrees that the developer is responsible for obtaining local siting approvals after making a down payment on utility construction costs; the company realizes that the timing associated with obtaining local siting approvals is often impossible to predict. PSEG Long Island believes that the developer should have a reasonable amount of time to obtain local siting approvals. Under the Smart Grid SGIP, PSEG Long Island has the right, after one year of inactivity, to notify an applicant that its project will be removed from PSEG Long Island’s interconnection inventory if the applicant does not respond within thirty (30) business days of the issue of such notification and provide a project status update and justification as to why the project should remain in PSEG Long Island’s interconnection inventory for an additional period of time.

8. Notice Soliciting Comments Question 8: If local permits are not obtained in a reasonable time, should a developer’s down payment be fully refundable?

PSEG Long Island Response to Question 8: It depends. PSEG Long Island’s practice is to refund advance payments less any charges for services or construction (i.e., studies, surveys, equipment purchase, etc.) that were incurred prior to removal from PSEG Long Island’s interconnection inventory. However, if the costs incurred by PSEG Long Island exceed the
advance payments made by the applicant prior to removal from the interconnection inventory, the applicant will receive a bill for any balance due to PSEG Long Island.

9. **Notice Soliciting Comments Question 9:** If a developer’s down payment is fully refundable, what level of payment is sufficient to demonstrate that the developer intends to proceed to construction?

*PSEG Long Island Response to Question 9:* In the Smart Grid SGIP, PSEG Long Island requires that an applicant provide the Company with an advance payment of 30% of the estimated costs within sixty (60) business days. PSEG Long Island is not required to procure any equipment or materials associated with the project or begin construction until the 30% deposit payment has been received. In our experience, this level of payment is sufficient to demonstrate that the developer intends to proceed to construction. That payment allows PSEG Long Island to proceed with its process and conduct its studies.

**III. CONCLUSION**

PSEG Long Island appreciates the opportunity to submit these comments and looks forward to working with DPS Staff and the parties in this matter.

Respectfully Submitted,

PSEG Long Island LLC

/s/ Jeffrey R. Greenblatt

By: Jeffrey R. Greenblatt
Attorney for PSEG Long Island LLC