May 14, 2018

VIA E-MAIL

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12223-1350

Re: Case 15-E-0751 – In the Matter of the Value of Distributed Energy Resources
    Matter 17-01277 – In the Matter of the Value of Distributed Energy Resources Working Group
    Regarding Rate Design.

Dear Secretary Burgess:

AEE Institute shares several of the concerns expressed by the Clean Energy Parties in their letter filed May 4, 2018. We appreciate the complexity of the Value of Distributed Energy Resources proceeding and the efforts that both DPS Staff and the utilities have put into making sure that this process is collaborative and productive. However, most parties did not have the opportunity to advise or participate in the development of the Joint Utilities’ bill impact model nor do we have access to all of the necessary data, creating significant challenges as we prepare rate designs that will be evaluated by the model.

The inputs to the workbook model are also restrictive and pose difficulties if parties wish to propose rate designs that comport with established rate design principles. For example, parties should be able to identify the categories of costs that they believe should go into a monthly customer charge, rather than propose a customer charge as a percentage of the current customer charge. The same types of costs would vary from utility to utility and so would the percentage relative to a utility’s existing customer charge. Moreover, parties will have difficulty proposing rate designs that do not fit neatly into the available categories of the workbook model.

We support the Clean Energy Parties’ request for clarification and more data. They requested:

- Clarity in the scope of the classes or group of customers in question
- More granular customer data
- Cost of service studies for the utilities in question
- The bill impacts model developed by the JU related to the inputs worksheet
- Greater information on the E3 study being developed by DPS
In addition, we remain concerned that the separate consideration of exports in the Value Stack Working Group and consumption in the Rate Design Working Group might result in a dissonance in export and import treatment that leads customers to arbitrage off of rates rather than engage in behavior that is most beneficial to the grid.

We welcome Staff’s efforts to incorporate more quantitative analysis in the VDER process, but also encourage Staff make sure that the process continues to drive parties toward compromise. Given the lack of participation of parties leading up to the release of the model input sheet and outstanding data requests from parties, parties are not well positioned to respond. An additional month would provide parties with more opportunity to prepare better rate design proposals and digest any additional data that is forthcoming. Therefore, we request that the due date for rate design proposals be moved to June 22nd.

Respectfully Submitted,

Ryan Katofsky
Vice President, Industry Analysis