

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

At a session of the Public Service
Commission held in the City of
Albany on April 18, 2019

COMMISSIONERS PRESENT:

John B. Rhodes, Chair
Gregg C. Sayre
Diane X. Burman, dissenting
James S. Alesi

CASE 16-M-0429 - In the Matter of Earnings Adjustment Mechanism
and Scorecard Reforms Supporting the
Commission's Reforming the Energy Vision.

CASE 14-M-0101 - Proceeding on Motion of the Commission in
Regard to Reforming the Energy Vision.

ORDER ELIMINATING INTERCONNECTION
EARNING ADJUSTMENT MECHANISMS

(Issued and Effective April 24, 2019)

BY THE COMMISSION:

INTRODUCTION

Through the Reforming the Energy Vision (REV) initiative, the Public Service Commission (Commission) has sought to reform the retail electric industry to secure an equitable allocation of benefits and costs, and to align the financial interests of New York State's electric utilities (collectively, the Joint Utilities)¹ with the objectives of a

¹ The Joint Utilities include: Central Hudson Gas & Electric Corporation (CHGE), Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation (NYSEG), Niagara Mohawk Power Corporation d/b/a National Grid (National Grid), Orange and Rockland Utilities, Inc. (O&R), and Rochester Gas and Electric Corporation (RG&E).

transformed modern electric industry.² The Commission developed a combination of market-based platform earnings and outcome-based earning opportunities to better align utility shareholder financial interest with consumer interest, and thereby incentivize the Joint Utilities to advance the development of a modernized power system.³

In the Track Two Order, the Commission directed the Joint Utilities to propose a distributed generation (DG) interconnection survey process and Earning Adjustment Mechanism (EAM), which would serve as a transitional step in implementing the REV transformation to a modern electric system.⁴ The Commission articulated the expectation that EAMs would be a transitional component of regulatory redesign, and that the specific portfolio of EAMs may change over time as some objectives are achieved or become standard practice.⁵

The Joint Utilities filed their proposed interconnection survey process and EAM on September 2, 2016.⁶ After a public notice and comment period, the Commission found that the proposed DG interconnection survey and metrics required modifications, and directed the Joint Utilities to make a

² Case 14-M-0101, Reforming the Energy Vision, Order Adopting Regulatory Policy Framework and Implementation Plan (issued February 26, 2015) (REV Framework Order).

³ Case 14-M-0101, supra, Order Adopting a Ratemaking and Utility Revenue Model Policy Framework (issued May 19, 2016), (Track Two Order), p. 2.

⁴ Id. at p. 154.

⁵ Id. at p. 60.

⁶ Case 14-M-0101 et al., supra, Interconnection Survey Process and Proposed Earning Adjustment Mechanism (filed September 2, 2016).

revised filing.⁷ On August 28, 2017, the Joint Utilities proposed a supplemental interconnection earning adjustment mechanism (IEAM) survey proposal.⁸ On October 24, 2018, Department of Public Service Staff (Staff) submitted an IEAM Proposal, recommending that the Commission terminate the IEAM because the current circumstances do not justify the continued implementation of this metric and opportunity to earn additional revenues.⁹

In this Order, the Commission considers the various proposals and finds that the IEAM does not present an opportunity to earn revenue that is connected to increased customer value. Consistent with the Track Two Order's direction that each EAM must be continually reevaluated for its effectiveness with reference to progress toward the desired outcomes, the Commission concludes that the IEAM does not effectively encourage interconnection improvements. By this Order, the IEAM is terminated and the basis points that were reserved in each of the Joint Utilities' last major rate cases, as a potential opportunity to earn the IEAM, are eliminated.

⁷ Case 14-M-0101, supra, Order Directing Modifications to the Joint Utilities' Proposed Interconnection Earning Adjustment Mechanism Framework (issued March 9, 2017), (March 2017 Modification Order), p. 2.

⁸ Case 14-M-0101, supra, Supplemental IEAM (filed August 28, 2017).

⁹ Case 14-M-0101, supra, Interconnection Earning Adjustment Mechanism Staff Proposal (filed October 24, 2018) (Staff IEAM Proposal).

BACKGROUND

Approved IEAMs

Each of the Joint Utilities negotiated the basis for an IEAM in their last major rate case, though none has established the targets needed to earn the adjustment.¹⁰ NYSEG and RG&E (collectively, the Companies) do not have IEAMs in their current rate plans, but the Commission directed the Companies to propose a survey process and IEAM by August 1, 2016.¹¹ In compliance with the Order Approving Rate Plans, the Companies proposed to reserve 25 basis points, in each rate year, for two metrics related to Standardized Interconnection Requirements (SIR) timeliness and applicant satisfaction survey results, and proposed to hold a collaborative so that the proposed EAMs may be implemented.¹² The Commission has not acted on the NYSEG and RG&E IEAM petition.

Con Edison's effective rate plan provided for no DG IEAM for 2017 (Rate Year One) but included a collaborative process to develop an IEAM survey and targets. A positive earning adjustment of five basis points may be achieved for 2018 and 2019 if the targets are met.¹³ According to the Con Edison

¹⁰ This order refers to both basis points and specified dollar amounts, though the Commission instructed that the preferred methodology was to calculate the maximum award with reference to basis points, and then translate that maximum award into an absolute dollar figure. Track Two Order, p. 69.

¹¹ Case 15-E-0283, et. al., New York State Electric & Gas Corporation and Rochester Gas and Electric Corporation - Rates, Order Approving Electric and Gas Rate Plans in Accord with Joint Proposal (issued June 15, 2016), (NYSEG and RG&E Order Approving Rate Plans).

¹² Case 15-E-0283, et. al., supra, Petition of NYSEG and RG&E for EAM Implementation (filed December 1, 2016) p. 3.

¹³ Case 16-E-0060, Consolidated Edison Company of New York, Inc. - Rates, Order Approving Electric and Gas Rate Plans (issued January 25, 2017), (Con Edison Order Approving Rate Plan).

Order Approving Rate Plan, the survey plan and instrument negotiated with rate case parties remains in effect unless and until a state-wide survey plan and instrument is approved, or unless the Commission directs otherwise.¹⁴

Despite multiple extensions to engage in productive discussions to collaboratively develop a target, Con Edison and the rate case parties were unable to agree on an IEAM target and earnings level for 2018.¹⁵ Therefore, as specified in the approved Joint Proposal,¹⁶ Con Edison and parties filed their respective target and earnings proposal on October 20, 2017 for review and disposition by the Commission.¹⁷ The Commission has not acted on the target and earning proposals.

National Grid's current rate plan provides for a potential EAM based on developer satisfaction.¹⁸ The National Grid developer satisfaction EAM provides for specified dollar-amount earnings opportunities at minimum, midpoint, and maximum performance levels, but defers setting associated targets to the state-wide IEAM case.¹⁹

¹⁴ Case 16-E-0060, supra, Joint Proposal (filed September 20, 2017) (Con Edison Joint Proposal), p. 84.

¹⁵ See Case 16-E-0060, supra, Ruling on Extension (issued August 16, 2017).

¹⁶ Con Edison Joint Proposal, p. 85.

¹⁷ See 16-E-0060, supra, NYC Proposal for 2018 Interconnection EAM (filed October 20, 2017); New York Energy Consumers Council's Comments (filed October 20, 2017); Consumer Power Advocates DG IEAM Comments (filed October 20, 2017); Comments of DPS Staff (filed October 20, 2017); and, Con Edison Request for Rate Year 2 Customer Satisfaction Targets (filed October 20, 2017).

¹⁸ Case 17-E-0238, Niagara Mohawk Power Corporation d/b/a National Grid - Electric Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans (issued March 15, 2018) (National Grid Order Approving Rate Plan).

¹⁹ Case 17-E-0238, supra, National Grid Order Approving Rate Plan, p. 72; and, Attachment 1, Appendix 7, p. 5.

Central Hudson's current rate plan provides an IEAM potential of one basis point for performance at a minimum level, two and one-half basis points for performance at the midpoint level, and five basis points for performance at the maximum level.²⁰ Similar to National Grid, under the Central Hudson Order Approving Rate Plan, Central Hudson may petition the Commission in the state-wide case to establish metrics and targets for the IEAM.²¹

Per the O&R Order Approving Rate Plan, O&R will establish metrics and targets consistent with Commission action in the state-wide proceeding.²² The Joint Petition adopted by the Commission provides O&R with specified dollar-amount earnings opportunities at minimum, midpoint, and maximum performance levels, but did not assign the targets required for O&R to realize those earning potentials.²³

Staff Proposal

On October 24, 2018, Staff filed an IEAM Proposal, recommending that the Commission eliminate the IEAM. According to Staff, the IEAM is unnecessary under current circumstances and should be eliminated. Staff notes that the Joint Utilities' Distributed System Implementation Plans (DSIPs) describe a

²⁰ Case 17-E-0459, Central Hudson Gas & Electric Corporation - Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans (issued June 14, 2018), (Central Hudson Order Approving Rate Plan).

²¹ Id. at p. 63.

²² Case 18-E-0067, Orange and Rockland Utilities, Inc. - Rates, Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans (issued March 14, 2019), (O&R Order Approving Rate Plan), p. 69.

²³ Case 18-E-0067, Attachment A - Joint Proposal to Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans (issued March 14, 2019), Appendix 16, pp. 13-14.

number of tools and capabilities related to interconnection, including utility methods for tracking and managing the DER interconnection application process to ensure compliance with the SIR.²⁴ Furthermore, Staff explains that the efforts of the Interconnection Policy Working Group (IPWG) and the Interconnection Technical Working Group (ITWG) have resulted in a number of revisions to the SIR, which have improved the interconnection process.²⁵

Additionally, Staff notes that the collaborative nature of the IPWG and ITWG, the availability of a dedicated Department of Public Service DG Ombudsman to provide coordination between DG applicants and utilities, the short and long-term planning requirements of the DSIPs, and the improved SIR have resulted in more timely interconnection application processing and increased developer satisfaction. Staff recommends eliminating the IEAM, indicating that these tools are more effective in encouraging the behaviors that will support the Commission's DER penetration goals than an IEAM.

Finally, Staff reiterates the opinion that since the Track Two Order, interconnection issues have been successfully managed without relying on the IEAMs. According to Staff, the tools that have been deployed to resolve interconnection disputes and delays are efficient and there is not sufficient justification to award IEAMs when other means are successful.

²⁴ See Case 16-M-0411, In the Matter of Distributed System Implementation Plans.

²⁵ See Interconnection Technical Working Group website, accessible at: <http://www3.dps.ny.gov/W/PSCWeb.nsf/All/DEF2BF0A236B946F85257F71006AC98E>; and, Interconnection Policy Working Group website, accessible at: <http://www3.dps.ny.gov/W/PSCWeb.nsf/All/0D7596DBBEF0380885257FD90048ADFA>.

NOTICE OF PROPOSED RULE MAKING

Pursuant to the State Administrative Procedure Act (SAPA) §202(1), a Notice of Proposed Rulemaking (Notice) was published in the State Register on November 7, 2018 [SAPA No. 16-M-0429SP5]. The time for submission of comments pursuant to the Notice expired on January 7, 2019. Comments were filed by Multiple Intervenors (MI); the Alliance for Clean Energy New York, Inc., Coalition for Community Solar Access, Natural Resources Defense Council, New York Solar Energy Industries Association, Pace Energy And Climate Center, Solar Energy Industries Association, and Vote Solar (collectively, Clean Energy Parties); the City of New York (the City); the Joint Utilities; the Advanced Energy Economy Institute, Advanced Energy Economy, the Alliance for Clean Energy New York, and the Northeast Clean Energy Council (collectively, AEEI); and the Interstate Renewable Energy Council, Inc. (IREC). The comments are addressed below.

SUMMARY OF COMMENTS

The Joint Utilities submitted comments describing the status of the individual IEAM filings and noting that the Commission has approved IEAMs for Con Edison, National Grid, and Central Hudson. According to the Joint Utilities, the other companies have filed IEAM proposals that the Commission has not yet acted on. The Joint Utilities point out that these IEAM provisions were carefully negotiated in their respective cases as part of an overall package intended to support the Commission's REV objectives. Accordingly, the Joint Utilities argue that eliminating the IEAM at this point would frustrate the overall strategy negotiated in individual rate proceedings. For that reason, the Joint Utilities suggest that the Commission reallocate the earnings opportunities established for the IEAM

to other existing EAMs for each remaining year of the applicable rate plans. The Joint Utilities explain that this approach would ensure the overall negotiated earnings opportunity would be preserved. Finally, the Joint Utilities state that eliminating the IEAM in isolation will add uncertainty to the rate case process, and that it is important for utilities to be able to rely on these negotiated resolutions in order to plan their investments and operations.

The City filed comments supporting the Staff Proposal to eliminate the IEAM. The City states that offering a shareholder incentive has not been effective in encouraging Con Edison to improve its interconnection process. The City further notes that the number of interconnection requests is too low for the customer surveys to produce statistically significant results. It cites the interconnection collaborative formed following Con Edison's last major rate case as a more effective measure for improving the process, and suggests that the Commission direct the continuation of that collaborative. Alternatively, the City states that the DSIP process could be used to address interconnection issues and would be preferable to the IEAM. The City recommends that the dollars allocated to the IEAM be spent on investments in process improvements.

MI also filed comments supporting termination of the IEAM. First, MI asserts that the incentive is unnecessary given the Commission's other efforts to address utility performance in the interconnection arena, such as the designation of a DG Ombudsman and the formation of the IPWG and ITWG. MI also argues that EAMs should rarely be used for a number of reasons including: the potential rate impact on customers, the absence of symmetrical negative incentives for unsatisfactory performance, and the many difficulties involved in designing and properly targeting an incentive mechanism. MI states that there

is no compelling evidence that the IEAM represents an effective use of ratepayer funds. Lastly, MI notes that the Commission has the authority to mandate remedial action to correct deficiencies in the interconnection process that does not require this type of incremental funding from electric customers.

The Clean Energy Parties agree that the Joint Utilities have made progress since the interconnection queue problems encountered from 2015-2016, and commend the efforts of Staff, New York State Energy Research and Development Authority (NYSERDA), and the Joint Utilities. However, the Clean Energy Parties go on to state that the IEAM is a more permanent mechanism for encouraging the Joint Utilities to improve their interconnection processes than a Staff DG Ombudsman assignment. Furthermore, the Clean Energy Parties argue that eliminating the IEAM could lead to backsliding and that the IEAM improves the alignment between utility and developer incentives. The Clean Energy Parties also state that experience with the IEAM has been limited, so it is too soon to judge the effectiveness of this mechanism. Instead, they recommend that the Commission allow more time to evaluate the impacts of the IEAM for all the utilities and consider alternatives before eliminating it. The Clean Energy Parties assert that interconnection continues to impose high costs on project developers due to miscommunications between the parties, unclear construction timelines, and disputes over system upgrades and contract terms. The Staff Proposal, they claim, does not demonstrate that the IEAM is no longer necessary.

IREC supports the Clean Energy Parties. IREC argues that the forecasted growth in DER penetration and community distributed generation support the continued implementation of the IEAM.

AEEI explains that it is difficult to determine what factors have contributed to improving utility performance in interconnection matters. According to AEEI, some improvements may have resulted from policy changes like the Value of DER compensation and revisions to the SIR. AEEI asserts that the Commission should leave the IEAM in place in order to determine its effectiveness. At a minimum, they urge the Commission to preserve the existing IEAMs for the duration of the applicable rate years in order to bolster the utilities' confidence in the EAM as a source of earnings.

LEGAL AUTHORITY

Pursuant to Public Service Law (PSL) §§5, 65, and 66, the Commission has the legal authority to take the actions prescribed in this order. The Commission has authority to direct utilities to formulate and carry out long-range programs, individually or cooperatively, with economy, efficiency, and care for the public safety, the preservation of environmental values and the conservation of natural resources. Furthermore, the Commission has broad discretion and judgment in choosing the means of achieving statutory mandates, and has the authority to adopt different methodologies or combinations of methodologies in balancing ratepayer and investor interests.²⁶ Moreover, pursuant to PSL §65, the Commission has authority to ensure that "every electric corporation and every municipality shall furnish and provide such service, instrumentalities and facilities as shall be safe and adequate and in all respects just and reasonable."

²⁶ Multiple Intervenors v. Public Service Commission of the State of New York, 154 A.D.2d 76 (3d Dept. 1991).

DISCUSSION

Since the publication of the Track Two Order and approval of IEAMs in individual rate cases, other actions responding to the interconnection delays and interconnection queue backlogs have been pursued in parallel.²⁷ All of these responses originated in the sharp increase in interconnection applications documented in the utilities' monthly data from May 2015 and continuing through the Spring of 2016.²⁸ As noted earlier, a dedicated DG Ombudsman was designated within the Department of Public Service to resolve project-specific concerns. As part of this effort, and with support from NYSERDA, Staff convened the IPWG and the ITWG to facilitate collaborative discussions between the Joint Utilities and industry stakeholders to solve the ongoing delays caused by the high volume of applications.²⁹

The first phase of this collaborative work culminated in the Order Modifying Transition Plan, where Commission adopted a stakeholder-supported queue management plan to resolve the interconnection queue backlog.³⁰ Following the issuance of that

²⁷ See Case 14-E-0151 et al., Petition of Hudson Valley Clean Energy, Inc. for an Increase to the Net Metering Minimum Limitation at Central Hudson Gas & Electric Corporation., Order Modifying Transition Plan and Making Other Findings (issued December 16, 2016), (Order Modifying Transition Plan) p. 11.

²⁸ The Commission noted that over 1,000 applications were submitted to the utilities between mid-2015 and mid-2016 and found that this surge contributed to delays in the interconnection process. Case 14-E-0151 et al., Order Modifying Transition Plan, p. 11.

²⁹ See Letter to Secretary Burgess re: Interconnection Policy Working Group, accessible at: <http://www3.dps.ny.gov/W/PSCWeb.nsf/All/0D7596DBBEF0380885257FD90048ADFA>.

³⁰ Case 14-E-0151 et al., Order Modifying Transition Plan.

Order, hundreds of inactive applications were removed from the queue and interconnection delays were reduced for applicants that were ready to proceed. Since the Commission's action, Staff has continued to track utility performance in processing interconnection applications and the stakeholder groups have continued to develop interconnection process improvements.

The Commission agrees with Staff, MI, and the City that the IEAM should be eliminated. As these parties point out, and as supporters of the IEAM also acknowledge, the interconnection process has improved since the Track Two Order was issued. Rather than continuing to design customer satisfaction surveys, establish metrics, and agree to targets, the Commission directs Staff to continue to engage stakeholders in the IPWG and ITWG, which have proven to be effective fora for addressing developers' concerns.

Further, the Joint Utilities acknowledge that expected sample size would be a key factor in the IEAM design and indicated "[t]o achieve a margin of error of +/-10 percent, 100 completed interviews would be needed per utility."³¹ The City correctly explains that "the number of interconnection requests processed by Con Edison are too low to make any interconnection survey statistically significant."³² The Commission finds that it would be inappropriate to reward Con Edison or any other utility based on a statically insignificant sample size. The Commission is not eliminating the IEAM in isolation, but in recognition that each utility has other negotiated opportunities to earn above their authorized rates of return. The Commission will not reallocate EAMs where there is not statistically

³¹ Case 14-M-0101, Interconnection Survey Process and Proposed Earning Adjustment Mechanism (filed September 2, 2016), p. 7.

³² Case 16-M-0429 et al., Comments of the City of New York (filed January 7, 2019), p. 1.

sufficient data to achieve the outcome-based earning opportunity, such as with the IEAM.

The Commission agrees with the Clean Energy Parties that there is more work to be done to improve the interconnection process in New York. However, the Commission disagrees that "backsliding" will occur due to terminating the IEAM. Rather, it is expected that the other interconnection initiatives will continue to identify and address systemic concerns. For example, many of the issues the Clean Energy Parties, AEEI, and IREC identify as needing improvement are already under discussion in IPWG and ITWG, including utility construction scheduling, revisions to the standard interconnection contract terms, cost sharing for necessary system upgrades, and how to incorporate new technologies such as energy storage. The narrow focus of the IEAM does not incent the utilities to make progress on these issues.

Finally, the Commission notes that the IEAM is not the only incentive mechanism designed to align developer and utility interests. For example, Con Edison's current rate plan includes a DER Utilization EAM, designed to encourage Con Edison expand the use of DER in its service territory.³³ To realize the DER Utilization EAM, Con Edison must significantly increase the megawatt-hour (MWh) rated capacity of DERs from historical

³³ Case 16-E-0060, Con Edison Order Approving Rate Plan, p. 73.

levels.³⁴ Similar DER Utilization EAMs have been approved for National Grid,³⁵ Central Hudson,³⁶ and O&R.³⁷

While experience with the measure is limited, the outcome-based DER Utilization EAM offers a well-defined benefit to both the utilities and customers by motivating the interconnecting utility to work with third parties and expand the use of DER in their service territory. Because the DER Utilization EAM measures the sum of the incremental annualized MWh in each rate year, it is expected that the utilities will continue to improve the interconnection process and maximize the earning potential associated with this EAM.

The Commission declines to reassign the reserved IEAM basis points or dollar amounts to a metric such as the DER Utilization EAM, as requested by the Joint Utilities. First, outcome-based EAMs are negotiated amounts that are potentially achievable with significant utility cost and effort. These EAMs are designed considering the relative magnitude of the benefits and costs of achieving certain outcomes. The balance struck for the DER utilization EAM therefore should not be altered. Here, however, the targets necessary to defining the performance that is to be achieved have not yet been established and the relative costs and benefits were not determined. The Joint Utilities expressly recognized the uncertain outcome of this generic IEAM proceeding, and chose to reserve potential earning opportunities anyway. Second, reassigning potential positive earnings

³⁴ Id.

³⁵ Case 17-E-0238, National Grid Order Approving Rate Plan, Attachment 1, Appendix 7, pp. 1-2.

³⁶ Case 17-E-0459, Central Hudson Order Approving Rate Plan (issued June 14, 2018), p. 63.

³⁷ Case 18-E-0067, Attachment A - Joint Proposal to Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans (issued March 14, 2019), Appendix 16, p. 3.

adjustments to an existing EAM without also altering the associated metrics and targets for the existing measure could reward a utility without enhancing its performance.

The Commission recognizes the Joint Utilities' concern that eliminating the IEAM may frustrate the overall strategy negotiated by the respective utilities in their rate proceedings. Aligning major rate cases with major policy initiatives results in more efficient outcomes, but complementary timing is not always possible. So while this IEAM is being eliminated, the Commission recently provided another future earnings opportunity by directing the Joint Utilities to propose a system efficiency EAM that oriented toward peak reductions and load factor improvement in their next major rate filings.³⁸ While the Commission expects the Joint Utilities to begin implementing the goals articulated in the Order Establishing Energy Storage Goal immediately, there will be a delay in establishing a system efficiency EAM for those utilities in multi-year rate plans.

CONCLUSION

The Joint Utilities' caution that eliminating EAMs that were negotiated through rate cases and approved by the Commission may add uncertainty to the rate case negotiation process is of note, but ultimately the uncertainty is unavoidable. When adopting EAMs, the Commission clearly established the expectation that the new incentives are oriented to near-term measures to create customer savings and develop

³⁸ Case 18-E-0130, In the Matter of Energy Storage Goal and Deployment Policy, Order Establishing Energy Storage Goal and Deployment Policy (issued December 13, 2018) (Order Establishing Energy Storage Goal), p. 40.

market-enabling tools.³⁹ When an EAM motivates a utility to achieve those ends, that utility should be rewarded with the incentive.

However, in the case of this EAM, each negotiated rate case outcome explicitly recognizes that Commission policy may shift and that the IEAM will be addressed and modified in this generic proceeding.⁴⁰ While certainty in regulation and multi-year rate plans have many benefits, performance-based ratemaking requires measurable performance. The IEAM is not an effective measure of exceptional utility performance, and additional consideration of this positive-only incentive is unnecessary. Effective economic regulation should reward performance, and policy flexibility is required as we transition to the modern electric grid and align utility performance with the public interest.

³⁹ Track Two Order, p. 12.

⁴⁰ See Case 15-E-0283, et. al., NYSEG and RG&E Order Approving Rate Plans (directing the Companies to make the requisite filings to establish EAMs in the future); Case 16-E-0060, Con Edison 2018 EAMs Report (filed April 1, 2019), p. 2 (recognizing the Commission's decision that SIR timeliness was a threshold issue, not an earning opportunity, and that failed applications would not be an EAM metric); Case 17-E-0238, National Grid Order Approving Rate Plan, (issued March 15, 2018), Attachment 1, Appendix 7, p. 3 (stating that targets for the IEAM will be developed in Case 16-M-0429; Case 18-E-0067, Attachment A - Joint Proposal to Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans (issued March 14, 2019), Appendix 16, p. 12 (stating that O&R will establish metrics and targets consistent with a future Commission order in case 16-M-0429); Case 17-E-0459, CHGE EAM Q4 Report (filed March 1, 2019), p. 14 (recognizing that if the Commission approves Staff's IEAM Proposal, Central Hudson will remove the IEAM from future EAM status reports).

The Commission orders:

1. Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc. and Rochester Gas and Electric Corporation are directed to terminate the interconnection earning adjustment mechanism efforts.

2. Case 16-M-0429, In the Matter of Earnings Adjustment Mechanism and Scorecard Reforms Supporting the Commission's Reforming the Energy Vision, is closed.

3. Case 14-M-0101, Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision, is continued.

By the Commission,

(SIGNED)

KATHLEEN H. BURGESS
Secretary