

STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

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Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision	X X	<b>Case 14-M-0101</b>
In the Matter of Earnings Adjustment Mechanism and Scorecard Reforms Supporting the Commission's Reforming the Energy Vision	X X X	<b>Case 16-M-0429</b>

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INTERCONNECTION SURVEY PROCESS AND PROPOSED  
EARNING ADJUSTMENT MECHANISM  
FILING OF THE JOINT UTILITIES

September 2, 2016

## **I. Introduction**

Central Hudson Gas & Electric Corporation (“Central Hudson”), 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 (collectively the “Joint Utilities”) file this interconnection survey process and proposed interconnection Earning Adjustment Mechanism (“IEAM”) metric design in compliance with the Public Service Commission’s (“Commission”) *Order Adopting a Ratemaking and Utility Revenue Model Policy Framework* (“REV Track Two Order”) in the Reforming the Energy Vision (“REV”) Proceeding.<sup>1</sup>

In making this filing, the Joint Utilities note their recognition of the role of the distributed generation (“DG”) interconnection process as integral to the expansion of distributed energy resources (“DER”) and the goals of the REV Proceeding. The Joint Utilities view the IEAM as an opportunity to further align their interests with that of DER stakeholders in an increasingly effective manner. The Joint Utilities agree with the Commission’s emphasis on the issues of Standardized Interconnection Requirements (“SIR”) timeliness and customer satisfaction as well as gaining an understanding of why certain DG applications over 50 kW are withdrawn or abandoned by applicants prior to final interconnection. The Joint Utilities expect to work with the Commission and stakeholders to refine the concepts presented here, further improve the interconnection process, and inform the broader SIR proceeding including the Interconnection Technical Working Group (“ITWG”) and the Interconnection Policy Working Group (“IPWG”). To that end, and in recognition of the urgency of the interconnection process, the Joint Utilities respectfully request that the Commission expeditiously approve this proposed IEAM metric framework.

## **II. Overview**

In its REV Track Two Order, the Commission noted that the IEAM metric framework should include three elements: (1) the ability of utilities to meet SIR timeliness requirements; (2) the satisfaction of SIR applicants with the DG interconnection process as measured by a survey

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<sup>1</sup> Case 14-M-0101, *Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision*, Order Adopting a Ratemaking and Utility Revenue Model Policy Framework (issued May 19, 2016) (the “REV Track Two Order”), pp. 85-87.

instrument;<sup>2</sup> and (3) a review by an independent third party of utility activities with regard to withdrawn or abandoned SIR applications.<sup>3</sup> Rather than individually developing separate metrics and surveys, the Joint Utilities have developed the common metrics described below. This filing describes and seeks Commission approval of the IEAM metric framework that the Joint Utilities propose in response to the REV Track Two Order. The specific IEAM targets and incentives, however, will be developed by each utility as part of individual rate cases or other regulatory filings.<sup>4</sup>

To facilitate the development of the IEAM, the Joint Utilities have planned a stakeholder meeting, anticipated to take place during September 2016. The stakeholder meeting is particularly important because it will enable parties to provide input regarding the content and scope of the interconnection survey, the results of which form the basis for one of the IEAMs proposed herein. The Joint Utilities also anticipate that the stakeholder meeting will provide an opportunity to better understand why applications are either withdrawn or abandoned by applicants.

It is also important for the Commission to recognize that each utility has a different potential for DG projects for reasons such as the locations served, customer demographics, ease/difficulty of permitting, siting costs, and financial incentives (*e.g.*, net metering bill credits and NY-Sun Incentive Program grants). These characteristics will impact technology type and the number and size of DG project applications that are received by a specific utility. Moreover, the ability to meet common metrics varies across utilities based on the scale of applications, the size of applications, and the complexity of interconnection requirements. Therefore, utilizing a common metric framework, while setting customized targets, is the most effective way to drive continuous improvement across all utilities. This is consistent with similar approaches to other

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<sup>2</sup> The Joint Utilities propose to have a third party conduct the survey.

<sup>3</sup> REV Track Two Order, pp. 86-87. As discussed below, the Joint Utilities propose use of the term “withdrawn or abandoned” applications.

<sup>4</sup> *Id.*, p. 87. The REV Track Two Order supports that targets and incentives for the IEAM will be utility-specific and thereby established pursuant to utility-specific filings with the Commission, including rate case filings. Similarly, nothing requested for approval in this filing is intended to preclude a utility from proposing to the Commission for its consideration, either individually or jointly with the other parties, utility-specific targets and incentives.

utility performance targets, and is one reason why such targets are typically set in individual utility rate cases.<sup>5</sup>

Until more experience is gained, including the queue management efforts of the IPWG, there may be uncertainty regarding a utility's ability to meet the targets set for these metrics, yet it is clearly desirable to encourage the utility to do so. Given these considerations, the Joint Utilities propose, as described more fully below, that the IEAM metric provide a separate earnings opportunity that is independent of results from the other IEAM metric.

As the record in Case 13-M-0314<sup>6</sup> indicates, metrics can be expected to further evolve, be refined, and augmented over time. Thus, the Joint Utilities seek Commission recognition that approval of the IEAM metric framework allows such continuous improvement and the flexibility to make appropriate changes going forward.

Finally, consistent with other standardized metrics, unless specified otherwise in their individual filings, the Joint Utilities propose that the targets be set and performance measured on a calendar basis, that each utility retain the interconnection data for a minimum of two years, that any public reports contain only anonymized and aggregated data to protect the privacy and professional interests of the applicants, that each utility annually file performance reports with the Commission by April 1 for the previous calendar year, and that the annual filings form the basis for incentive calculations.

### **III. The IEAM Metric Framework**

This section describes the metrics that comprise the IEAM metric framework the Joint Utilities propose in response to the REV Track Two Order. Of the three metrics identified in the REV Track Two Order, the Joint Utilities view SIR timeliness and survey response as the more important elements for incentives. The Joint Utilities agree that review of withdrawn or abandoned applications is important to improving the interconnection process, herein propose such a review, and suggest the review be reevaluated as further experience is gained under the

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<sup>5</sup> *Id.*

<sup>6</sup> Case 13-M-0314, *Issue a Request for Proposal for an Independent Third-Party Consultant to Conduct a Review of the Accuracy and Effectiveness of Certain Reliability and Customer Service Systems at all Gas and Combination Gas and Electric Utilities in New York State that Provide Statistics to the Commission on the Services They Provide Customers.*

recently amended SIR.<sup>7</sup> The Joint Utilities do not propose that incentives be paid for the review of withdrawn or abandoned applications.<sup>8</sup>

#### **A. SIR Timeliness Metric**

The REV Track Two Order stressed the importance of the timeliness requirements established in the SIR by characterizing them as a “threshold” condition. The Joint Utilities agree that meeting the timeliness requirements is vital to maintaining applicant satisfaction. In developing the framework for the timeliness metric, the Joint Utilities seek to avoid redundancy among metrics, an important methodological consideration noted by the Commission,<sup>9</sup> by establishing this as the only metric that considers whether the timeframes specified in the SIR are met or exceeded.

The Commission noted that “it is often unclear who is at fault when an application cannot be processed in a timely way” and found that this is one area in which the utility “may not have direct control” over the results.<sup>10</sup> Given this lack of control, the Joint Utilities propose independent earnings opportunities for the IEAM elements, because an inability to meet timeliness requirements could very well be due to factors beyond the utility’s control. Therefore, a utility should not be foreclosed from positive earnings opportunities based on the applicable IEAM elements.

The timeliness metric would be linked to each utility’s ability to meet three key standards during the SIR process: (1) the 10 business day requirement to review and determine application completeness; (2) the 15 business day requirement to complete the preliminary screening and (3) the 60 or 80 business day requirement to complete the Coordinated Electric System Interconnection Review (“CESIR”). Performance targets would be established by each utility based on these standards.

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<sup>7</sup> Case 15-E-0557, *In the Matter of Proposed Amendments to the New York State Standardized Interconnection Requirements (SIR) for Distributed Generators 2 MW or Less*, Order Modifying Standardized Interconnection Requirements (issued March 18, 2016).

<sup>8</sup> In the future, additional IEAM metrics may be proposed for incentives, and those additional metrics might emerge from the review of reasons for withdrawn or abandoned applications.

<sup>9</sup> *See, e.g.*, REV Track Two Order, p. 91, note 106, where the Commission stated that metrics should not be “subject to a double count.”

<sup>10</sup> REV Track Two Order, p. 86.

This metric would measure the above key standards. The scale for this metric would set a minimum level, for which no incentive would be paid. The range between the minimum and maximum would reflect desirable improvements that are increasingly difficult for that utility to accomplish; such a range is consistent with the vision for these IEAMs expressed in the REV Track Two Order.<sup>11</sup> The incentive metric would also take into account both the standard set in the SIR and the potential for storms<sup>12</sup> and other unexpected events to draw resources away from processing applications, thereby impacting timeliness performance. Each individual utility will propose specific targets and rewards as part of rate case or regulatory filings.<sup>13</sup>

## **B. Interconnection Survey**

### 1. Overview

In furtherance of the Commission's directive, the Joint Utilities retained ICF International ("ICF") to develop a survey and metric processes. ICF is nationally experienced in survey design and development, including utility-specific survey and market research design, data collection, and analysis. Working with ICF, the Joint Utilities plan to deploy a survey that maximizes response rate, minimizes bias in data, yields a consistent survey metric, and enables actionable process improvement insights. The Joint Utilities developed the draft interconnection survey through a comprehensive process. Activities completed to-date include designing the survey sampling, data collection, and analysis plans; survey instrument drafting; and metric development. These efforts permitted gathering input from each utility to address unique and common concerns. The resulting interconnection survey is applicable to each of the individual utilities, thus reducing implementation effort and cost while driving consistency where appropriate.

The interconnection survey design plans were developed using best practices for survey research and supported with data such as the current interconnection inventory by utility. In addition, information about the applicant pool was used to inform design decisions such as which mode(s) of data collection would be used, how often the survey would be conducted, and how frequently an individual applicant would be surveyed. These plans include:

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<sup>11</sup> *Id.*, p. 68.

<sup>12</sup> Adjustments are permitted to exclude data in operating areas impacted by major storms as defined in 16 NYCRR 97.1.C.

<sup>13</sup> Cost recovery would be included in these filings.

- A sampling plan that defines the survey population and unit of analysis;
- A data collection plan that maximizes the response rate and other key indicators of data quality through an effective data collection protocol; and
- An analytic plan that describes planned analyses.

To develop the survey instrument the interconnection process was fully mapped out so that the survey would address all of the important interconnection touch points for applicants, not merely the application outcome. ICF constructed the survey logic with feedback from the Joint Utilities so that respondents are only asked about aspects of the interconnection application process with which they have had experience.

Along with the survey instrument, specific survey questions were drafted. The set of survey questions was developed through feedback for relevance to the interconnection process in New York State. The final set of metric components was assigned a weighting scheme and presented as an algorithm, which, along with the survey questions, will be further refined.

## 2. Description of Interconnection Survey

The primary goal for the interconnection survey is to provide a quantifiable measure of satisfaction with the interconnection process for project applications above 50 kW in compliance with the REV Track Two Order. In addition, the Joint Utilities expect the survey to be useful for general process improvement purposes. Survey results will also help inform future suggested modifications to the SIR.

It is anticipated that a respondent will take approximately twelve minutes to complete the survey by phone for a single interconnection application. Individual variation can be expected, based on the time the respondent takes to answer open-ended questions. The survey includes skipping logic based on information known about the respondent and responses to questions. The current set of survey questions is provided in Attachment 1.<sup>14</sup> Questions are grouped into the following categories:

- Screening questions: These questions help confirm that the interviewer is speaking to the appropriate respondent. Responses to these questions will help the interviewer to determine an optimal time and person or group of people to speak with.

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<sup>14</sup> As explained below, information from stakeholders and cognitive testing may result in modifications to the questions and the overall survey scoring metric.

- Overall satisfaction questions: These questions are placed in the beginning of the survey in order to capture top-of-mind responses, without influence from the more specific questions below.
- Interconnection process-specific questions: These questions serve the purpose of providing quantitative and qualitative feedback to the utilities on specific aspects of the interconnection process.
- General process improvement questions: These questions aid in improving utility-stakeholder interactions.
- Benchmarking questions: These questions allow the utilities to compare applicants' experience in New York to their experiences in other states.

The survey uses a 0-to-10 scale for many of the questions. Use of this scale is common practice in customer satisfaction surveys because it is a bi-polar scale with a midpoint (5), which makes it easy for respondents to rate performance. The use of this scale in the survey will also facilitate the computation of the survey components of the metric. Responses such as “don’t know,” “refused,” and “not applicable,” are available where applicable, but will be omitted from the calculation of the components of the survey-based metric.

Below is an overview of the key characteristics of the interconnection survey.

#### *a. Sampling*

Expected sample size is a key factor in many aspects of the interconnection survey’s design.<sup>15</sup> Current interconnection inventory data suggest a small number of new applications will be available to sample, particularly within utilities that have recently seen a low number of interconnection applications that qualify based on the REV Track Two Order. For example, Central Hudson received applications for 444 projects that would meet the criteria for surveying upon interconnection from November 2015 to April 2016. However, Central Hudson has only received applications for 14 such projects since that date under the recently amended SIR. A low number of survey responses, leading to a high margin of error, would limit the survey’s usefulness in providing metric and measuring outcomes for process management purposes. To achieve a margin of error of +/-10 percent, 100 completed interviews would be needed per utility. Compounding this, the projects to be sampled are associated with even fewer individual respondents, some of whom may have projects across multiple utilities. Contacting an individual

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<sup>15</sup> Resources concerning sample size include Lohr, Sharon L. (2010), *Sample Design and Execution*, 2nd ed. Boston, MA: Duxbury Press and Tortora, Robert, A Note on Sample Size Calculation for Multinomial Populations, *The American Statistician*, Issue 32, Vol. 3 (1978), pp. 100-101.

too frequently or requesting too long of an interview to discuss several applications create an undue burden on respondents, which may lead to survey drop outs and lower the quality responses. These factors guide overall survey design, from sampling plan to survey content, in two ways: (1) seek to obtain feedback on as many sampled applications as possible; and (2) maximize response rate and the overall quality of responses.

#### *b. Metric Components*

As noted above, the current set of survey questions is provided in Attachment 1. The Joint Utilities and ICF have preliminarily identified the response from a subset of the survey questions as the current components of the survey metric. The survey metrics questions were selected because the Joint Utilities believe they reasonably capture REV objectives related to the SIR. The Joint Utilities will finalize the questions for the survey metric after obtaining additional stakeholder input on the entire set of survey questions as well as the results from both cognitive and field testing of all survey questions.

#### *c. Metric Calculation*

Survey metric results will be calculated separately for each utility. The survey metric score (0-100) is calculated based on the average rating (0-10) for each survey metric question across all respondents for the utility. The Joint Utilities have preliminarily identified a scoring index that applies varying levels of weight to the responses from the survey metric questions referenced above. The overall weighting of the responses from the survey metric questions will produce the survey metric score. The weighting for each survey metric response was selected based on the relationship of its subject matter to successful SIR outcomes. The Joint Utilities will finalize the question weightings for the survey metric after obtaining additional stakeholder input on these survey questions as well as the results from cognitive testing of all survey questions.

#### *d. Targets and Incentives*

Targets and incentive levels for survey results will be established for each utility as part of a rate case or regulatory filing. Because the survey results are difficult to predict, and due to sample size concerns, it may be necessary to use initial survey results in order to establish a

baseline for determining the performance targets. The Joint Utilities will seek input on this topic in the upcoming stakeholder meeting.

### 3. Survey Implementation

#### *a. Cognitive and Field Testing*

Finalizing the survey and supporting materials requires cognitive testing, a process for receiving in-depth feedback on respondents' understanding of the survey. Cognitive testing is expected to start during the month of September 2016 or as soon as possible thereafter. This timing allows the Joint Utilities to come to consensus on the contents of the survey instrument. Cognitive testing could lead to refinement of the interconnection survey and the survey metric.

In survey development, cognitive testing is widely used to provide important feedback about a respondent's understanding of the survey questions and procedures. This process can aid in refining or eliminating questions that are confusing, as well as inform methodologies to improve response rate and reduce respondent burden. Approximately eight to ten cognitive tests are anticipated. Respondents will be recruited in advance by telephone, asked to complete a copy of the questionnaire, and then interviewed by a researcher. Interview questions will touch on every survey question and will probe the thought process used to complete each item. Finally, because respondent burden is a concern, feedback regarding how to best collect information from multiple applications will be gathered. The feedback from cognitive testing interviews may result in updates to the survey instrument, metric, and data collection methodology.

After cognitive testing, field testing allows the survey questionnaire and protocols to be fine-tuned with a relatively small number of respondents. Field testing may uncover questions that are not relevant (*i.e.*, through a high percentage of "don't know" responses) or a need to shorten the survey (*i.e.*, tendency to ask interviewers how much longer the survey will take or to terminate the survey). The importance of the resulting data to the Joint Utilities and the Commission and need for high response rates mean field testing would be a valuable final step in readying the survey for full implementation.

Field testing will mimic the actual implementation: the telephone survey will be programmed, and trained interviewers will contact a small number of respondents having

completed the entire interconnection process. The survey team will make and review detailed notes. Once the analysis of the pre-test data is complete, any necessary changes can be made to the questionnaire or survey process prior to the full implementation of the survey. Completed field test interviews can be rolled into the total for the calculation of the customer satisfaction metric.

*b. Sampling Plan*

The Joint Utilities will administer the interconnection survey to applicants with completed (*i.e.*, energized) interconnection projects, because only those who have completed the interconnection application process can be expected to have knowledge of the entire process. The unit of analysis will be an individual application, rather than general analysis of satisfaction with a number of applications. This will improve data quality and the specificity of responses, because satisfaction with the processing of each application may be unique, even among multiple applications from a single developer.

The sample frame is the pool of all eligible survey recipients. The sample will be drawn once a month from this pool. Conducting the survey on a monthly basis reduces the burden on the respondent to recall information about events in the past, thereby improving the accuracy of responses. It also creates frequent opportunities to collect and update data, which is useful considering the limited number of applications.

The targeted survey respondent is that person who is most familiar with the application process (referred to here as “project manager”). A single project manager may be surveyed about up to three completed applications within one interview (but will be asked to consider one single application at a time). This cap aims to reduce the burden on the respondent, but may be altered based on the results of cognitive testing.

In order to account for the apparent small number of project managers, monthly sampling will be conducted as follows, by each utility:

- For each project manager, arrange all completed applications by date of completion;
- Select up to three applications from this project manager; and
- If a project manager has three or fewer completed applications, select all.

### *c. Data Collection Plan*

The Joint Utilities are committed to designing a data collection plan that will achieve the highest possible response rate. Accordingly, the primary data collection mode will be telephone interviewing. Telephone interviewing carries several advantages relative to a mixed-mode approach with a web survey with telephone follow-up, specifically: having a live, trained interviewer who can address any questions from the respondent in real-time and also encourage the respondent to complete a survey, or to arrange a call-back; the ability to confirm that the correct respondent has been reached to complete the survey, rather than a surrogate who might be less knowledgeable about the interconnection process; and the importance conveyed by a telephone interview to each potential respondent, compared with a web survey which is commonly used for many survey research studies.

A group of experienced, trained interviewers will conduct the surveys throughout the year, on a monthly basis. In accordance with best practices for business surveys with a limited number of potential respondents, the interviewers will make multiple attempts to interview each respondent.

Prior to interviewing for each month, the survey team will send an advance letter to each potential respondent. This advance letter is an industry best practice to maximize response rate.<sup>16</sup> By highlighting the survey's purpose as a vehicle for incorporating interconnection applicants' feedback into future process improvements, the letter aims to increase stakeholder engagement, and thus improve response rate. It explains the purpose of the survey, how data will be used, the confidentiality of responses, and who will conduct the survey. Finally, it also includes a contact person for respondents who wish to contact their utility. Included with the advance letter will be a Frequently-Asked-Questions document that provides additional information about the survey.

While telephone interviewing is the primary recommended mode of data collection, specific situations may warrant a web-based option, particularly as experience is gained during implementation of the survey. Individual utilities shall retain the option to incorporate web or

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<sup>16</sup> Dillman, D. A., Smyth, J. D., and Christian, L. M. (2014). *Internet, Phone, Mail, and Mixed-Mode Surveys: the Tailored Design Method* (4th ed). Hoboken, NJ: Wiley.

other modes of sampling or conducting the survey as determined in individual rate cases or regulatory filings.

*d. Analytic Plan*

The interconnection survey is designed to deliver a quantifiable IEAM metric that will be consistent across utilities and over time. It also intends to quantify satisfaction with each step in the interconnection process and capture qualitative feedback and suggestions for improvement.

Once interviewing for each month is completed, the survey team will review the resulting data for quality and completeness. On a semi-annual basis, tests for significant differences by project size, project type, third-party or host ownership, and use of the CESIR process will be conducted. The set of available results may be limited by the number of completed surveys. A results summary with period- and year-to-date data, including comparisons to prior periods and years, will enable continuous feedback and process improvement. On an annual basis, the survey metric will be calculated and reported to the Commission.

Along with average scores, reporting will include medians to allow for judgment of skew in the average score and variances to allow for judgment of the overall reliability of the sample (*i.e.*, margin of error) as well as biases in the survey results.

**C. Withdrawn/Abandoned Applications**

The REV Track Two Order stated that the IEAM should include an independent audit of failed applications the purpose of which is to identify the key drivers for applications failing to result in a completed and energized DG project. In practice, these are more accurately characterized as withdrawn or abandoned applications.<sup>17</sup> As noted above, the Joint Utilities are not recommending that this review be a metric but believe that their proposal to review withdrawn and abandoned applications is important to improving the interconnection process,

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<sup>17</sup> To provide additional clarity and segmentation, the Joint Utilities propose redefining “failed applications” as either: (1) a withdrawn application – a complete application for which the applicant initiates exiting the queue by contacting the utility or in response to utility inquiry; or (2) an abandoned application – a complete application for which the applicant is removed from the queue by missing a milestone defined in the SIR.

and that the review may be reevaluated as further experience is gained operating under the recently amended SIR.<sup>18</sup>

The Joint Utilities propose to obtain information from applicants of withdrawn applications and abandoned applications to better understand the basis for these applicants' business decisions. The patterns revealed by the applicants' answers may identify improvements that could be implemented by the utilities, developers, host customers, the Commission, the New York State Department of Public Service ("DPS") Staff, New York State Energy Research and Development Authority ("NYSERDA"), local governments, or others.

This will be accomplished through the creation of an application closeout process that seeks to capture the reasons for application withdrawal or abandonment as a means of continuous improvement. The data captured in this process would be analyzed periodically<sup>19</sup> for patterns and trends, and the results of that analysis shared with the DG Ombudsperson Group ("DGOG"), ITWG, and the IPWG, all of whom are striving to improve the interconnection process. The Joint Utilities do not propose that this element for a positive earnings opportunity.

Upon withdrawal or abandonment of an application, the utility will ask the applicant to briefly review a list of possible business reasons for that decision and identify those relevant to that particular withdrawal or abandonment. The stakeholder process will provide input to the final list of possible reasons, as will certain other design decisions, but the list is likely to include the following possible rationales for a withdrawn or abandoned application:<sup>20</sup>

- Inability to obtain project financing or unanticipated changes in financing terms/revenue streams rendering project uneconomic
- Unable to gain site control (*e.g.*, property owner will not sell or lease required parcels, or costs to acquire higher than anticipated)

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<sup>18</sup> See note 7, *supra*.

<sup>19</sup> How frequently the analysis would be conducted will depend, at least in part, on the number of responses received from applicants. If sufficient applications are withdrawn or abandoned during a particular month, and the response rate to the utility request for information is high enough, it may be possible to conduct this analysis and report results monthly. If not, the results may be reported quarterly or semi-annually.

<sup>20</sup> For example, applicants could be asked to identify all contributing reasons, the single most important reason, or up to, *e.g.*, five most important reasons. This decision will have implications on how much time it might take to respond to the utility request, and on the complexity of the resulting analysis, among other factors. In another example, the list could be made available in a variety of forms (*e.g.*, email, website), and expectations could be set concerning the number and type of reminders applicants would receive from utilities to encourage response.

- Construction cost overruns at the DG site cannot be mitigated rendering project uneconomic to proceed
- Applicant and host site owner unable to reach mutually acceptable contractual terms or one or both parties elect to terminate a contractual agreement
- Inability of host to enroll sufficient members or member types in a planned Community DG project
- Required permits (*e.g.*, zoning, building, site, environmental) denied or permit requirements are onerous and render project uneconomic
- Change to utility DG hosting capacity or beneficial locations for DG siting
- Change in financial subsidies or incentives renders project uneconomic
- Change in applicant's priorities
- Utility interconnection queue backlog
- Estimated cost of utility's system modifications to be borne by applicant and required for project interconnection renders project uneconomic
- Changes in law or regulations.

This process improvement will complement other significant interconnection improvement efforts in New York State. The Ombudspersons at each utility, DPS, and NYSERDA today provide a real-time venue for dispute resolution to ensure applications are not withdrawn or abandoned prematurely. Both the ITWG and the IPWG serve to provide forums where stakeholders and utilities can collaborate on key drivers of value and process improvement steps. The IPWG is currently formulating an approach to near-term queue management for larger applications that were predominantly driven by policy changes in remote net metering and community DG processes in the State. Implementation of the queue management plan is likely to result in multiple applications being withdrawn or abandoned. The ITWG is actively reviewing technical approaches to interconnection requirements, such as substation backfeeding and anti-islanding protection, which impact interconnection costs associated with projects. The Joint Utilities' effort to capture reasons for project application withdrawal or abandonment will further clarify trends and aid in enhancing DG development in the State.

#### **IV. Conclusion**

Based on the foregoing, the Joint Utilities respectfully request that the Commission approve the Joint Utilities' interconnection survey and IEAM proposal.

September 2, 2016

Respectfully submitted,

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