

# Consumer Power Advocates

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January 10, 2018

## VIA ELECTRONIC FILING

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

RE: Matter 17-01276 - In the Matter of the Value of Distributed Energy Resources Working Group Regarding Value Stack

Dear Secretary Burgess,

Pursuant to the proposal issued by Staff on December 18, 2017 and related letter filed on December 27, 2017 in the above-referenced Matter, the Consumer Power Advocates (CPA) hereby provides its informal comments regarding the Staff discussion document on VDER Value Stack Expedited Eligibility Expansion.

In general, CPA is supportive of the positions proposed by Staff in the discussion document and, in the interest of brevity, given that the final proposal will be the subject of a formal SAPA process, we limit our comments and arguments here.

### Principles for Expedited Eligibility Expansion

CPA agrees with the principles proposed by Staff, in particular the principle of Technology Neutrality. Compensation should be based on actual values provided by various technologies and not on the technologies themselves. The Commission should not put itself in the position of picking winners, nor of excluding particular technologies simply because they fail to meet some parties' criteria for eligibility.

### Proposed Removal of Customer-Type Based Technology and Size Limits

Similarly, whether a particular technology should be valued at all should not be based on the type of customer at whose site it is deployed, or in the case of CDG, the types of customers that wish

to support its deployment. Similarly, size limitations on eligibility, if any, should be based upon technical interconnection/operational characteristics and not on the fact that some projects of a given size are “good,” while other similarly sized projects are “bad” in some parties’ estimation.

#### Proposed Technologies for Expedited Eligibility

CPA supports the proposed expedited eligibility criteria for the value stack and its various elements proposed by Staff for the reasons provided. However, it should not be assumed, particularly in the short- to mid-term that the “E” component will necessarily decrease to a negative value, nor that all storage or CHP resources should ultimately have a zero “E” value. It is entirely possible that system emission rates will increase with the retirement of the Indian Point units, before decreasing with the development of new non-emitting resources.

Also, as Phase II progresses and refinements are made in the estimation of system emission rates and the ability to consider different emission profiles from CHP and storage resources, it should be possible to assign different values of “E” (positive, zero or negative) to different projects. In the short-term, for purposes of expedited eligibility though, a value of zero is not unreasonable.

As for the conditions that would be applied to CHP expedited eligibility, use of the criteria developed for the Con Edison standby pilot are likewise reasonable. Much time was spent developing emission and efficiency limits that were technically and economically achievable, both generally and to provide enhanced protection in environmental justice communities. Given the refinements expected during Phase II, there is no reason to reinvent that wheel, as doing so would not change the cost effectiveness of technologies available.

#### Uneconomic Retail Rate Arbitrage

It is not unreasonable to protect against the possibility of retail rate arbitrage in the manner proposed by Staff, however, CPA believes that thought needs also to be given to customers that are taking competitive supply, as this context has not been addressed to date. We do not believe that it is Staff’s intent that customers taking competitive supply should be required to switch to utility MHP, but clarification that this is the case would be helpful. To the extent that competitive customers installing storage do not already confront time-varying prices, it is likely that competitive suppliers will have the incentive to assure that uneconomic arbitrage is prevented. As such, prescriptive rules, such as Staff is proposing for non-MHP utility customers, may be unnecessary, but the issue should be affirmatively considered.

#### Standby and Buyback Rates

In the further interest of technology neutrality, CPA supports the applicability of otherwise applicable standby and buyback rates to projects formerly exempt by virtue of their NEM-eligible status. We understand this proposal to not require any modification to the standby or buyback rates applicable to existing, non-NEM-eligible projects and our support is premised on that understanding. CPA would oppose a proposal here that would upset rates and rules arising out of the recent Con Edison rate plan for example.

Conclusion

With the comments and caveats noted above, CPA supports the VDER Value Stack Expedited Eligibility Expansion proposal developed by Staff and urges its finalization and submission to the Commission for formal adoption.

Respectfully Submitted,

/s/

Aaron Breidenbaugh

Director of Regulatory Affairs