



July 24, 2017

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:

The Advanced Energy Economy Institute (AEEI), on behalf of Advanced Energy Economy (AEE), the Alliance for Clean Energy New York (ACE NY), the Northeast Clean Energy Council (NECEC), and their joint and respective member companies, provides the following prioritization of issues for the Rate Design Working Group in response to the July 20th *Notice Regarding Working Group Process and Filings*.

Of the issues identified by Staff in the agenda for the initial meeting of the Rate Design Working Group, the highest priority to us is issue “b. Methods to provide equal compensation for reduced consumption and injected generation or other methods of addressing generation consumed behind-the-meter.”

Additionally, we recommend the following priorities for the Rate Design Working Group:

- The full incorporation of the value stack for exported generation into retail rates so that generation that avoids consumption receives full and fair compensation.
- Addressing embedded cost recovery in rate design in a way that does not blunt beneficial price signals to customers.
- Consideration of demand reductions or load modifications not associated with generation and whether the VDER tariff should apply to demand response.
- Compensation for the value of E for load reductions, whether caused by generation or customer behavior.

We appreciate the opportunity to provide input and look forward to participating in the working group.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Ryan Katofsky", with a stylized flourish at the end.

Ryan Katofsky
Vice President, Industry Analysis