

December 19, 2018

#### VIA ELECTRONIC DELIVERY

Honorable Kathleen H. Burgess Secretary New York State Public Service Commission Three Empire State Plaza, 19th Floor Albany, New York 12223-1350

> RE: **Case 16-M-0411 – In the Matter of Distributed System Implementation Plans**

Case 14-M-0101 – Proceeding on Motion of the Commission in Regard to **Reforming the Energy Vision** 

JOINT UTILITIES REPLY COMMENTS ON THE DISTRIBUTED SYSTEM IMPLEMENTATION PLANS, MARGINAL COST OF SERVICE STUDIES, AND BENEFIT-COST ANALYSIS HANDBOOKS

Dear Secretary Burgess:

In response to the August 30, 2018 Notice Regarding Submission of Comments on Staff Proposal and Related Matters in the subject proceedings inviting written feedback on the individual 2018 DSIP filings made by 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 (collectively, the "Joint Utilities"), four sets of comments were filed by parties. The Joint Utilities hereby file their reply comments.

Respectfully submitted,

/s/ Janet M. Audunson

Janet M. Audunson **Assistant General Counsel** 

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#### STATE OF NEW YORK PUBLIC SERVICE COMMISSION

In the Matter of Distributed System Implementation Plans	)	Case 16-M-0411
Proceeding on Motion of the Commission in Regard to	)	Case 14-M-0101
Reforming the Energy Vision	)	Case 14-101-0101

## REPLY OF THE JOINT UTILITIES TO COMMENTS ON THE DISTRIBUTED SYSTEM IMPLEMENTATION PLANS, MARGINAL COST OF SERVICE STUDIES, AND BENEFIT-COST ANALYSIS HANDBOOKS

#### I. Introduction and Background

Two years after filing their initial individual Distributed System Implementation Plans ("DSIPs")<sup>1</sup> and their collective Supplemental DSIP,<sup>2</sup> Central Hudson Gas & Electric Corporation ("Central Hudson"), Consolidated Edison Company of New York, Inc. ("Con Edison"), Niagara Mohawk Power Corporation d/b/a National Grid ("National Grid"), New York State Electric and Gas Corporation ("NYSEG"), Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation ("RG&E") (collectively the "Joint Utilities") filed their individual 2018

<sup>&</sup>lt;sup>1</sup> Case 14-M-0101, *Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision* ("REV Proceeding"), NYSEG and RG&E Initial DSIP (filed June 30, 2016), Central Hudson Initial DSIP (filed June 30, 2016), Con Edison DSIP (filed June 30, 2016), National Grid initial DSIP (filed June 30, 2016) and replaced in its entirety by Initial DSIP Errata Filing (filed July 1, 2016), and Orange and Rockland Utilities, Inc. Initial DSIP (filed June 30, 2016).

<sup>&</sup>lt;sup>2</sup> Case 16-M-0411, *In the Matter of Distributed System Implementation Plans* ("DSIP Proceeding"), Joint Utilities Supplemental Distributed System Implementation Plan (filed November 1, 2016).

DSIPs on July 31, 2018.<sup>3</sup> In response, pursuant to the Public Service Commission's ("Commission") notice, <sup>4</sup> four sets of comments were filed.

Since the initial DSIP filings in 2016, the Joint Utilities have continued to seek and engage in open communication through the Joint Utilities of New York website,<sup>5</sup> the stakeholder advisory group, regular working sessions, and through monthly email updates to all interested parties. The Joint Utilities also hosted a Stakeholder Conference in November 2017, moderated by the Department of Public Service Staff ("DPS Staff"), with participation by each of the Joint Utilities and developers, customers, interested parties, and the public. The 2018 DSIPs built on the 2016 initial efforts and responded both to stakeholder comments and guidance from the DPS Staff. By the end of September 2018, each utility also held a stakeholder session in its service territory reviewing its 2018 DSIP filing. The Joint Utilities are committed to responding to stakeholder feedback through ongoing stakeholder engagement in the next two years to inform the next DSIPs.

The commenters expressed general satisfaction with the trajectory and methodological enhancements that the Joint Utilities are undertaking<sup>6</sup> – targeted at building market services, integrating distributed energy resources ("DER"), and information sharing for the Distributed

<sup>&</sup>lt;sup>3</sup> DSIP Proceeding, NYSEG and RG&E 2018 DSIP (filed July 31, 2018), Central Hudson 2018 DSIP (filed July 31, 2016), Consolidated Edison Second DSIP (filed July 31, 2018), National Grid 2018 DSIP Update (filed July 31, 2018), Orange and Rockland 2018 DSIP (filed July 31, 2018).

<sup>&</sup>lt;sup>4</sup> DSIP Proceeding, Notice Regarding Submission of Comments (issued August 30, 2018) and Notice Extending Comment Period (issued November 19, 2018).

<sup>&</sup>lt;sup>5</sup> www.jointutilitiesofny.org

<sup>&</sup>lt;sup>6</sup> DSIP Proceeding, [Advanced Energy Economy Institute, Alliance for Clean Energy New York, and Northeast Clean Energy Council] Comments on Utility Distributed System Implementation Plans (filed November 27, 2018) ("AEEI Comments"), p. 2. Indeed, both the paucity and nature of the comments suggest that the Joint Utilities' outreach has been successful and that there is a greater consensus on the DSIP path forward.

System Platform ("DSP"). The Joint Utilities respond here to general comments on the DSIP process, specific informational requests, and proposed methodology changes.<sup>7</sup>

Each 2018 DSIP complied with regulatory direction and incorporated individual corporate priorities and capabilities as appropriate. A DSIP is inherently a visionary document, describing the utility's overall direction, and does not substitute for all the detailed activities in the multiple proceedings related to the REV Proceeding. While the DSIP lays out a broad view across many DSP activities over a five-year horizon, specific funding mechanisms and rate allocations are properly handled in the rate case process.

#### II. General Comments on the DSIP Process and Content

Advanced Energy Economy Institute ("AEEI")<sup>8</sup> addressed the DSIP process by suggesting that there may be value in staggering DSIP releases, either by utility or by topical section.<sup>9</sup> While there are many possible approaches to the DSIP filings, the Joint Utilities support continuation of the current filing schedule, originated by the Commission in the REV Track One Order,<sup>10</sup> as best suited for collaboration, coordination, and standardization among utilities, and therefore most responsive to Commission goals.<sup>11</sup> Similarly, breaking the DSIP filings into multiple components or staggering utility DSIP filings might obscure some of the

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<sup>&</sup>lt;sup>7</sup> The Joint Utilities focused on those comments that benefit most from reply and note that absence of reply to a specific comment or recommendation should not be interpreted as agreement.

<sup>&</sup>lt;sup>8</sup> AEEI includes Advanced Energy Economy, the Alliance for Clean Energy New York, the Northeast Clean Energy Council, and their joint and respective member companies.

<sup>&</sup>lt;sup>9</sup> DSIP Proceeding, AEEI Comments, p. 2. It is noted that the four-month comment is recognition of the time needed for review of multiple, complex filings.

<sup>&</sup>lt;sup>10</sup> REV Proceeding, Order Adopting Regulatory Policy Framework and Implementation Plan (issued February 26, 2015) ("REV Track One Order"), p. 75.

<sup>&</sup>lt;sup>11</sup> *Id.*, pp. 10-30.

interdependencies among issues and inhibit holistic comparisons among utilities by stakeholders, especially those active throughout the state. Such an approach could result in outcomes that do not align well among the utilities or across related areas of the DSP. To facilitate effective information sharing for these complex filings, the Joint Utilities note that they have, for example, continued efforts to consolidate and present relevant data and information in a useful fashion for stakeholders.<sup>12</sup>

The City of New York ("City") claimed that Con Edison's DSIP lacks the forward-looking information required by the Commission<sup>13</sup> and sufficient information to be evaluated with the Benefit-Cost Analysis ("BCA") Handbook as required by the Commission.<sup>14</sup> The City also sought additional details on cost and future initiatives.<sup>15</sup> Contrary to the City's claim, each of the 2018 DSIPs, including Con Edison's, are forward-looking plans replete with detailed efforts to enable the DSP. In accordance with specific and comprehensive regulatory guidance for provision of both current and future data, each utility provided currently available information and laid out a roadmap for how additional data will be developed and provided in the future.<sup>16</sup>

More specifically, Con Edison provided a roadmap for future grid modernization investments.<sup>17</sup> Its Second DSIP provides detailed information on how Con Edison is continuing to incorporate and expand DER in planning and operations for the five-year time period specified

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<sup>12</sup> https://jointutilitiesofny.org/utility-specific-pages/

<sup>&</sup>lt;sup>13</sup> DSIP Proceeding, Letter to Commission Secretary Burgess from Susanne DesRoches, Deputy Director, Infrastructure and Energy, City of New York (filed November 19, 2018) ("City Comments"), p. 2.

<sup>&</sup>lt;sup>14</sup> *Id*. p. 4.

<sup>&</sup>lt;sup>15</sup> *Id.*, p. 5.

<sup>&</sup>lt;sup>16</sup> See DSIP Proceeding, Order on Distributed System Implementation Plan Filings (issued March 9, 2017) ("2017 DSIP Order"). See also DSIP Proceeding, Department of Public Service Staff Whitepaper – Guidance for 2018 DSIP Updates (filed April 26, 2018).

<sup>&</sup>lt;sup>17</sup> DSIP Proceeding, Consolidated Edison Second DSIP (filed July 31, 2018), pp. 36-42.

in the REV Track One Order,<sup>18</sup> as well as calling out longer-term initiatives such as market development, energy storage, and electric vehicles ("EVs").<sup>19</sup> These future plans appear in callout boxes within the DSIP for ease of identification.

One further note is merited in light of the City's view of Consolidated Edison's Second DSIP. This DSIP, among its required elements, also identified significant results, which include the doubling of solar generation since 2016, a forecasted tripling of solar generation by 2023 (the five-year timeframe of the DSIP), 100 MWs of non-wires solutions ("NWS")<sup>20</sup> projects available in the market, completion of a large battery system in the City and related work with the New York City Fire Department to develop standards for energy storage, development of a New York Independent System Operator ("NYISO") roadmap for DER, multiple demonstration projects to test renewable energy solutions for low- and middle-income customers, EVs, and various types of electric storage, including summer use of school buses, as well as proposed grid innovation to facilitate more DER and provide added resiliency.<sup>21</sup> Taking the Consolidated Edison Second DSIP as a whole, there is no basis for submission of a revised DSIP, as the City suggests.

As to the City's requests for more data in DSIPs, the Joint Utilities preliminarily emphasize, as noted above, that every filing in all the REV-related proceedings cannot and should not wholly replicate the ongoing efforts in each of the other related proceedings, including rate cases. Moreover, with respect to cost information, the Commission has determined that individual utility rate cases are the appropriate forum for providing and

<sup>&</sup>lt;sup>18</sup> REV Proceeding, REV Track One Order, p. 29.

<sup>&</sup>lt;sup>19</sup> DSIP Proceeding, Consolidated Edison Second DSIP, pp. 21-23, 86, 104-105.

<sup>&</sup>lt;sup>20</sup> All members of the Joint Utilities use the term non-wires alternatives ("NWA"), except Con Edison which uses the interchangeable term of non-wires solutions ("NWS").

<sup>&</sup>lt;sup>21</sup> DSIP Proceeding, Consolidated Edison Second DSIP, pp. 1, 3, 26-35, 36-46, 86-89.

evaluating this information.<sup>22</sup> The Joint Utilities have followed this guidance to address costs in current or pending rate case filings.

Nonetheless, as they did in the 2018 DSIP filings, the utilities will adjust their plans and incorporate requirements from subsequent Commission orders. For example, the Commission has just issued *Order Adopting Accelerated Energy Efficiency Targets*<sup>23</sup> and *Order Establishing Energy Storage Goal and Deployment Policy*, <sup>24</sup> both of which require utility actions that were not in place when the 2018 DSIPs were filed. Developments from other ongoing proceedings, notably the Value of Distributed Energy Resources ("VDER"), <sup>25</sup> which affect compensation mechanisms for DER, necessarily inform future DSIP updates. Thus, the City's <sup>26</sup> and AEEI's <sup>27</sup> concerns for additional content within the DSIPs on energy efficiency ("EE") programs are misplaced. The Joint Utilities agree that EE programs should and will continue to be a key focus, particularly in light of the ongoing System Energy Efficiency Plan ("SEEP") process <sup>28</sup> and recent Commission orders and guidance. <sup>29</sup> Much of the work noted by the City and AEEI is actively being discussed as part of the EE Proceeding, including how to incorporate EE locational value to decrease load and defer or avoid capital investment.

<sup>&</sup>lt;sup>22</sup> DSIP Proceeding, 2017 DSIP Order, p. 4.

<sup>&</sup>lt;sup>23</sup> Case 18-M-0084, *In the Matter of a Comprehensive Energy Efficiency Initiative* ("EE Proceeding"). Order Adopting Accelerated Energy Efficiency Targets (issued December 13, 2018).

<sup>&</sup>lt;sup>24</sup> Case 18-E-0130, In the Matter of Energy Storage Deployment Program, Order Establishing Energy Storage Goal and Deployment Policy (issued December 13, 2018).

<sup>&</sup>lt;sup>25</sup> Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources ("VDER Proceeding").

<sup>&</sup>lt;sup>26</sup> DSIP Proceeding, City Comments, p. 5.

<sup>&</sup>lt;sup>27</sup> *Id.*, AEEI Comments, p. 2.

<sup>&</sup>lt;sup>28</sup> See Case 15-M-0252, *In the Matter of Utility Energy Efficiency Programs*, Order Authorizing Utility-Administered Energy Efficiency Portfolio Budgets and Targets for 2019-2020 (issued March 15, 2018), where the Commission directed each utility to integrate energy efficiency planning into their forecasted system plans and evolve their Energy Efficiency Transition Implementation Plans ("ETIPs") into a System Energy Efficiency Plan ("SEEP") that describes the entirety of the utility's expanded reliance on and use of cost-effective energy efficiency to support their distribution system and customer needs.

<sup>&</sup>lt;sup>29</sup> EE Proceeding, *supra* note 23.

With respect to the City's request for additional cost information relative to the Benefit Cost Analysis ("BCA") Handbook, utilities, when appropriate, have provided this type of information as part of requests for proposals ("RFPs"), including cost information for the traditional infrastructure upgrade.<sup>30</sup> Additionally, all utilities develop provide a BCA evaluation when a non-wires alternatives ("NWA")<sup>31</sup> solution is selected for implementation.

As to further information regarding NWAs,<sup>32</sup> a biennial document like the DSIP is not a substitute for actual NWA solicitations. The Joint Utilities are interested in providing as much information in such solicitations as is necessary for a transparent and competitive bidding process that results in cost-effective and successful NWA selections.

The Joint Utilities, both collectively and individually, have provided significant information on NWA efforts. The Joint Utilities' filings from March 2017<sup>33</sup> and May 2017<sup>34</sup> include significant information on suitability criteria and the NWA RFP process, which was also discussed in depth in subsequent stakeholder meetings.<sup>35</sup> Moreover, the Joint Utilities have

<sup>&</sup>lt;sup>30</sup> E.g., National Grid provided this information in its RPF for Non-Wires Alternative Solutions for Pine Grove Substation. See REV Proceeding, National Grid RFP for Non-Wires Alternative Solutions for Pine Grove Substation (filed November 26, 2018).

<sup>&</sup>lt;sup>31</sup> Supra note 20.

<sup>&</sup>lt;sup>32</sup> DSIP Proceeding, AEEI Comments, p. 2 and City Comments, p. 5. In view of the City's focused critique on Con Edison, it is noted that the Consolidated Edison Second DSIP refers readers to its NWS opportunities which provide extremely granular detail for over 100 MW of NWS in addition to Con Edison's BQDM initiative, Case 14-E-0301, *Petition of Consolidated Edison Company of New York, Inc. for Approval of Brooklyn Queens Demand Management Program.* DSIP Proceeding, Consolidated Edison Second DSIP, p. 3.

<sup>&</sup>lt;sup>33</sup> DSIP Proceeding, Utility-Specific Implementation Matrices for Non-Wires Alternatives Suitability Criteria (filed March 1, 2017).

<sup>&</sup>lt;sup>34</sup> DSIP Proceeding, Joint Utilities' Supplemental Information on the Non-Wires Alternatives Identification and Sourcing Process and Notification Practices (filed May 8, 2017).

<sup>&</sup>lt;sup>35</sup> The Joint Utilities held two stakeholder meetings focused specifically on these topics on April 20, 2017 and November 9, 2017. Summary material is available on the Joint Utilities website: <a href="https://jointutilitiesofny.org/jointutilitiesofny.org/jointutilitiesofnew-york-engagement-groups/">https://jointutilitiesofny.org/jointutilitiesofny.org/jointutilitiesofnew-york-engagement-groups/</a>

made additional information available online, including publishing suitability criteria matrices, listing active NWA opportunities on utility websites and REV Connect,<sup>36</sup> and posting monthly DSP enablement documents, which contain updates on NWA opportunities, with all stakeholders.<sup>37</sup> It is also noted that some utilities have issued NWA RFPs that specifically seek solutions to address a reliability need,<sup>38</sup> representing an expansion of need identification beyond load relief. The Joint Utilities remain committed to continue exploring beneficial attributes an NWA can provide and the appropriate methodologies for calculating the value of each attribute.

As part of their engagement with stakeholders on the evolving NWA procurement process, the Joint Utilities plan to convene a stakeholder meeting in the first half of 2019 to update where each utility stands in terms of the overall NWA process, including identification of open RFPs and the status of awarded projects, as well as lessons learned from awarded and withdrawn RFPs.

AEEI sought more data and assessments for demonstration projects.<sup>39</sup> The Joint Utilities agree on the value and importance of sharing this information to provide transparency to all stakeholders. All utility REV demonstration project proposals, each of which provides a detailed justification for the respective project, are publicly available on the DPS website,<sup>40</sup> along with the DPS Staff approval or rejection for each. On the same website, utilities provide quarterly updates on each of their REV demonstration projects, which include key lessons learned to

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<sup>&</sup>lt;sup>36</sup> https://nyrevconnect.com/

<sup>&</sup>lt;sup>37</sup> https://jointutilitiesofny.org/home/

<sup>&</sup>lt;sup>38</sup> *E.g.*, National Grid has multiple NWA opportunities focused on reliability needs that are currently under planner review. Additional information available at <a href="http://ngrid-">http://ngrid-</a>

 $<sup>\</sup>underline{ftp.s3.amazonaws.com/DSIP/Docs/NATIONAL\_GRID\_NWA\_OPPORTUNITIES\_Portal\_20181130.pdf.}$ 

<sup>&</sup>lt;sup>39</sup> DSIP Proceeding, City Comments, p. 4.

<sup>40</sup> Available at

http://www3.dps.nv.gov/W/PSCWeb.nsf/All/B2D9D834B0D307C685257F3F006FF1D9?OpenDocument

date.<sup>41</sup> The utilities are still in various stages of implementing these demonstration projects and remain committed to sharing results and insights with stakeholders as they become available.

Finally, the Association for Energy Affordability, Inc. ("AEA") proposed expansion of building portfolio EE measures and the demand response marketplace.<sup>42</sup> Where access to customer data is needed to enable these efforts, the Joint Utilities support the provision of such data consistent with the utilities' commitment to protect customer data and subject to Commission privacy and data protection requirements.<sup>43</sup>

While not commenting directly on the DSIPs, the Clean Energy Parties ("CEP")<sup>44</sup> suggested various methodological adjustments related to compensating DER,<sup>45</sup> such as adding a component for NYISO transmission investment deferral value, changing utility forecasts, and modifying capital planning forecasts.

With regard to transmission congestion value, the congestion component is already included in a combination of the installed capacity ("ICAP") values<sup>46</sup> and he Locational Based Marginal Price ("LBMP").<sup>47</sup> As such, this value is already captured in the NYISO's wholesale

<sup>&</sup>lt;sup>41</sup> As noted above, REV Connect is an additional available resource to assist developers with locating relevant information for REV demonstration projects.

<sup>&</sup>lt;sup>42</sup> DSIP Proceeding, Association for Energy Affordability, Inc. ("AEA") Comments, p. 3. In addition to AEA, the following joined these comments: Building Performance Institute, Building Performance Contractors Association of New York State, E4TheFuture, Efficiency First, Home Performance Coalition, Performance Systems Development, and Seek More LLC.

<sup>&</sup>lt;sup>43</sup> DSIP Proceeding, Order Adopting Whole Building Energy Data Aggregation Standard (issued April 20, 2018) and 2017 DSIP Order.

<sup>&</sup>lt;sup>44</sup> The Clean Energy Parties are Solar Energy Industries Association, the Coalition for Community Solar Access, the Natural Resources Defense Council, the New York Solar Energy Industries Association, the Pace Energy and Climate Center, and Vote Solar.

<sup>&</sup>lt;sup>45</sup> DSIP Proceeding, Clean Energy Parties, Updated Comments Regarding the Utilities' Enhanced Marginal Cost of Service Studies (filed November 27, 2018) ("CEP Comments").

<sup>&</sup>lt;sup>46</sup> NYISO Installed Capacity Manual, Sec.4.14, p. 144, *available at*: https://www.nyiso.com/documents/20142/2923301/icap\_mnl.pdf/234db95c-9a91-7306-2900ef90538

<sup>&</sup>lt;sup>47</sup> NYISO, AC Transmission Public Policy Transmission Need Cost Allocation Methodology Analysis, October 25, 2016.

market prices. For this reason, the Joint Utilities contend that no additional action is required as compensation for this value is already part of the VDER Value Stack compensation and any additional mechanism would result in duplicative compensation.

With respect to forecasting methodologies, and per the Supplemental DSIP, the Joint Utilities continue to coordinate on how to apply forecasts. Each utility continues to enhance its own forecasting methodology in parallel with collaborative efforts to establish common practices for the identification of incremental system needs based on forecasts. Some utilities build on NYISO forecasts as a scenario for their own analysis.

Collaborative work across the utilities includes the appropriate application of EV forecasts. Though the Joint Utilities note that EV load currently has minimal impact, the utilities will continue to update forecasts in accordance with new information on EV adoption levels. Capital planning forecasts, in general, do include DER at some granular level; therefore, removing DER entirely would be contrary to the objectives of integrating and capturing the benefits of DER and achieving greater consistency with marginal cost of service ("MCOS") studies.

Finally, with respect to the enhanced MCOS studies, the Commission's March 9, 2017

Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources,
and Related Matters <sup>49</sup> and subsequently-approved May 1, 2017 utility-filed work plans <sup>50</sup> have
formed the foundation upon which the utilities continue to develop and utilize these studies.

Given CEP's recognition that the current work products represent significant improvements over

<sup>49</sup> VDER Proceeding, Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters (issued March 9, 2017) ("VDER Phase One Order").

<sup>&</sup>lt;sup>48</sup> DSIP Proceeding, Supplemental DSIP, p. 31.

<sup>&</sup>lt;sup>50</sup> See e.g., VDER Proceeding, Consolidated Edison Company of New York, Inc. Implementation Proposal for Value of Distributed Energy Resources Framework (filed May 1, 2017).

previously-used tools,<sup>51</sup> the Joint Utilities emphasize the importance of utilizing the most current MCOS data. The Joint Utilities anticipate upcoming DPS Staff guidance on potential changes to the MCOS process and believe these changes can be integrated into subsequent updates.

Separately, AEA filed comments focused on energy efficiency and technical suggestions for the Technical Resource Manual ("TRM").<sup>52</sup> The Joint Utilities have followed the approved methodology in crafting the TRM and suggest that the EE Proceeding<sup>53</sup> is the proper place for a robust process for review and any future revisions. Second, AEA noted that the 2018 DSIP filings included limited discussion of whole building approaches for residential customers apart from small pilots. The Joint Utilities again suggest that the EE Proceeding are the correct forum for this work.<sup>54</sup>

#### III. Conclusion

Each of the Joint Utilities developed robust, forward-looking 2018 DSIPs in keeping with regulatory direction and individual priorities. Consistent with prior DSIP filings, the Joint Utilities suggest that the Commission continue to provide guidance for future DSIPs. The Joint Utilities appreciate the stakeholder suggestions and general affirmation of the overall value of

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<sup>&</sup>lt;sup>51</sup> DSIP Proceeding, CEP Comments, p. 5. However, in its comments, CEP states that NYSEG and RG&E did not submit new MCOS studies, but that the studies were underway and would be submitted at a later date. This statement is incorrect. NYSEG and RG&E submitted updated MCOS results in the NYSEG and RG&E 2018 DSIP (filed July 31, 2018) in accordance with the VDER Phase One Order and the NYSEG and RG&E work plan previously filed with the Commission. *See* DSIP Proceeding, Proposed Workplan and Timeline for Developing Granular Marginal Distribution Cost Estimates for DER Compensation in NYSEG and RG&E Service Territories (filed April 24, 2017). NYSEG and RG&E also filed updated MCOS results on August 1, 2018 in the VDER Proceeding.

<sup>&</sup>lt;sup>52</sup> *Id.*, AEA Comments, pp. 4-7.

<sup>&</sup>lt;sup>53</sup> EE Proceeding, *supra* note 23.

<sup>&</sup>lt;sup>54</sup>*Id.*, pp. 45-46.

the utilities' effort and approach and look forward to further collaborative efforts with stakeholders in both the DSIP Proceeding and related proceedings.

Dated: December 19, 2018

Respectfully submitted,

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