



THE E CUBED COMPANY, L.L.C.

October 19, 2016

Providers of Strategic
Energy Services At
The Exponential
Interface Among

- Energy
- Economics and
- Environment

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BY E-MAIL

Hon. Ben Wiles
Hon. Dakin Lecakes
Administrative Law Judges
NYS Department of Public Service
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 16-E-0060 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service.
Case 16-G-0061 – Proceeding on Motion of the Commission as to the Rates, Charges, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Gas Service.

The E Cubed Company, LLC and Joint Supporters Reply Comments on the Joint Proposal

Dear Judges Wiles and Lecakes:

Pursuant to your Ruling on Schedule, Issued September 28, 2016, in the above referenced proceedings, please consider this letter as the Reply Comment of the Joint Proposal (“JP”) on behalf of The E Cubed Company, LLC (“E Cubed LLC”) and Joint Supporters (“JS”), a voluntary association. Both are Active Parties and I speak for both.

The Standby Reliability Credit proposal in the JP is the item on which we reserved support. We understand that six customers participated in 2015 and eleven in 2016. We are pleased to see the program grow, but want to see it keep its participants from year to year.

The Initial Comments of Con Edison, Staff, Pace, EDF, and NYECC supported the JP proposal in this regard. The Initial Comments of Great Eastern, Energy Spectrum, and River Bay and testimony by Witnesses Ron Lukas and David Ahrens opposed the JP proposal in this regard as did comments by E Cubed LLC/Joint Supporters, NECHPI and Digital Energy.

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Primary Arguments In Support Are Articulated By Staff. (Staff pp 39-40)

1. **Staff** “Under the terms of the Joint Proposal, the measurement period for Rate Year 1 will be the same as that used for Con Edison’s current Performance Credit (i.e., 10 AM to 10 PM, Monday through Friday, excluding holidays, from June 15 through September 15).”
 - a. **US** This is rational and reasonable given that generators are measured and verified accurately.
2. **Staff** “The measurement period for Rate Years 2 and 3 will be (i.e., 8 AM to 10 PM, Monday through Friday, excluding holidays, from June 1 through September 30).”
 - a. **US** This is not reasonable if non-DG resources other than generators are not measured and verified accurately. An option that bears substantial consideration is setting the end date as between September 15 and 20 to allow for housing complex CHP unit participants to prepare for their Housing Regulation-mandated start of the heating season.
3. **Staff** “Maintaining the measurement period of the current Performance Credit for the purposes of the Rate Year 1 Reliability Credit is reasonable since it will give existing customers, many of whom [emphasis added] are used to operating their generation assets to maximize their Performance Credit, an additional year to optimize their procedures for the Reliability Credit.”
 - a. **US** The record does not show how load and bill impact studies have been performed or/and presented to justify the argument that “many” existing customers that operate generation need time to adjust. There were only six participating customers in 2015 and eleven in 2016. How many of “six” or “eleven” are “many”? Where are the load projections and evaluations of the impact on system or subsystem peak conditions? Changing part of CHP operating programs, like the RC, while ignoring the overall system and energy conversion operating requirements, is not part of the REV construct,
4. **Staff** “The Joint Proposal also extends the date for customers to elect which outage events will be excluded from the measurement period from October 1 to October 10 of each year.” This modification is reasonable as a conforming change to the measurement period, and will allow customers the necessary time to select the outage events they wish to exclude from each summer’s measurement period.
 - a. **US** Wonderful! Selecting potential outage events post hoc can be an ongoing exercise. There is no need select only three outage events other than a

request by the Commission. Neither do they warrant reporting sooner than 30 days after program completion.

- b. **US** Why not agree on more, e.g. six outages, and/or build the generation base on averages rather than minimum generation levels.
 - c. **US** Other distribution dispatch programs for the Company and the NYISO employ average levels of performance, let the Company program be run from this premise.
5. **Staff** “The Joint Proposal also requires that in order to earn the Reliability Credit the generating facility output must be separately metered using a Commission-approved, revenue grade, interval meter (output meter). It is the Customer’s responsibility to furnish and install the meter at its expense, and the Customer must arrange for and maintain communications service from the output meter to the Company. Requiring that the output of generating facilities be separately metered is reasonable since the data obtained will: (1) provide status monitoring ability for operations and planning purposes; (2) provide insight into operation of customer-sited DER for future consideration as part of REV and other Commission proceedings; and (3) will likely be needed in the future as dispatch and settlement of payments for DER becomes increasingly granular.”
- a. **US** Because the only apparent purpose of the output meter on the generator in the Staff’s view is for the public necessity of collecting data then it is reasonable that all or a substantial portion of the cost should be borne by all ratepayers, not solely by the participating customers.

Thank you for the opportunity to offer these reply comments.

Respectfully submitted



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