



Sreekanth Venkataraman

Policy Director
Northeast Clean Heat and Power Initiative
PO Box 1000
New York, NY 10001
svenkat@nechpi.org

October 21, 2016

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.

North East Clean Heat & Power Initiative (NECHPI) 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 North East Clean Heat & Power Initiative (NECHPI), which is an active party and I represent NECHPI.

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.

Our comments in response to the primary arguments articulated by the Staff are as below:

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). 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)."

Comment: While we have no objections to the measurement period for Rate Year 1, we have concerns with the measurement period for RY2 and RY3 as non-DG resources other than generators are not measured and verified accurately. In addition, so that the housing complex CHP unit participants can prepare for their housing regulation mandated start of the heating season, we request that the end date be set between September 15&20.

2. *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 are used to operating their generation assets to maximize their Performance Credit, an additional year to optimize their procedures for the Reliability Credit."

Comment: It is not clear whether load and bill impact studies have been performed and/or presented to justify these arguments. Secondly, while there were five participating customers in 2015, there were eleven in 2016. Given this small sample size, we believe that the definition of the word 'many' gets a bit ambiguous in this case. It is also not clear what were the load projections and impact on systems or sub-systems under peak conditions. Given these issues, the reasonableness of the argument put forward by the Staff is questionable.

3. *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".

Comment: We believe it is a good idea to allow the customers to elect the outage events to be excluded from the measurement period. We believe, there is room for certainly more than three events to be selected for exclusion from the measurement period. We also urge that the generation base be based on average levels of performance instead of minimum generation levels, taking a cue from the other dispatch programs for the Company and NYISO.

4. *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.”

Comment: As the purpose behind installing the meters is for the greater public necessity of collecting the data, it is only reasonable that all or at the least, a significant portion of the cost be borne by all the rate payers and not be restricted to the participating customers.

Thank you for the opportunity to offer these reply comments

Respectfully submitted,

Sreekanth Venkatamaran


Signature: