



June 29, 2015

Via Electronic Mail

Hon. Kathleen H. Burgess
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New York State Public Service Commission
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Re: Proceeding on Motion of the Commission as to Multiple Generation Facilities at Host and Satellite Locations Under Remote Net Metering Tariffs Case 15-E-0267

Dear Secretary Burgess,

Please find comments of the Solar Energy Industries Association, New York Solar Energy Industries Association, and the Alliance for Clean Energy filed in response to the Commission's Proceeding on Motion of the Commission as to Multiple Generation Facilities at Host and Satellite Locations Under Remote Net Metering Tariffs.

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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission as to

Multiple Generation Facilities at Host and Satellite

Locations Under Remote Net Metering Tariffs

Case 15-E-0267

**COMMENTS OF THE SOLAR ENERGY INDUSTRIES ASSOCIATION, THE NEW
YORK SOLAR ENERGY INDUSTRIES ASSOCIATION, AND THE ALLIANCE FOR
CLEAN ENERGY**

The Solar Energy Industries Association (SEIA), the New York Solar Energy Industries Association (NYSEIA), and the Alliance for Clean Energy (ACE NY), together the Parties, respectfully submit these comments in response to the request for comment issued on May 11, 2015 to consider electric utility tariffs that restrict remote net metering (RNM) arrangements to a generator at a single host meter, or otherwise constrain the number of host sites that can participate in a net metering arrangement, or restrict the presence of generation at satellite accounts.¹ The Parties file these comments in support of the comments filed by Cornell University on February 17, 2015 to eliminate restrictions between host and satellite accounts under the RNM regime pursuant to PSL §66-j(3)(e).² Generally, the Parties urge the Commission to remove restrictions on the ability of generators to match with satellite accounts, and instead institute less prescriptive policy that maintains flexibility while encouraging efficient investment. To this end, the Commission should consider requiring that RNM credits for host systems that do not have sufficient demand from satellite accounts will expire after a period of time or be compensated at the generation rate. A change to this effect will animate sustainable market growth by increasing flexibility in the market, while simultaneously sending a signal to

¹ Notice Instituting Proceeding and Soliciting Comments issued May 11, 2015 (Case 15-E-0267)

² Comments of Cornell University, filed February 17, 2015 (Cases 14-E-0151 and 14-E-0422)

generators and renewable energy off takers to properly match energy generation and demand between host and satellite accounts. And, more specifically, the Commission should require electric utilities to 1) allow satellite accounts to be served by multiple host systems and 2) allow customers with onsite net metering systems to also receive net metering credits from RNM facilities.³

Established in 1974, SEIA is the national trade association of the United States solar energy industry and is a broad-based voice of the solar industry in New York. Through advocacy and education, SEIA and its 1,000 member companies are building a strong solar industry to power America. There are 70 SEIA member companies in operation in New York working in all market segments – residential, commercial, and utility-scale – many of which engage in RNM solar project development. In addition, SEIA member companies provide solar panels and equipment, financing and other services to a large portion of New York solar projects.

Founded in 1994, the New York Solar Energy Industries Association (NYSEIA) is a statewide membership and trade association dedicated solely to advancing solar energy use in New York State. NYSEIA strives to achieve significant, long-term and sustainable growth of solar energy adoption in New York State.

ACE NY is a nonprofit membership organization whose mission is to promote clean energy, energy efficiency, a healthy environment and a strong economy for New York State. Our diverse coalition includes energy efficiency companies and renewable energy companies active in the wind, solar, hydro, sustainable biomass and biogas, and fuel cell industries. Our members also include environmental organizations, academic institutions, and consultants to the energy sector. ACE NY strongly supports net metering for clean, on-site power generation. We have participated in both legislative initiatives and Commission proceedings regarding net metering for many years, and we look forward to participating in a broader discussion regarding the long-term role of net metering in the Reforming the Energy Vision (REV) proceeding.

³ The comments herein represent the views of the Parties and not any individual member company

1. DISCUSSION

Remote net metering has proven to be an effective method to increase deployment of distributed renewable energy systems, and increase participation in New York's burgeoning distributed renewable energy market, by creating a means of overcoming traditional barriers to deployment through increased flexibility. Remote net metering allows parties that may not otherwise invest in renewable energy because they do not have the ability to host a renewable energy system at load to invest in remote systems and offset consumption with renewable energy while increasing overall liquidity in the market. Additionally, RNM allows for optimal siting of systems on the most suitable land and at high value locations on the grid.

This flexibility, which is a cornerstone of RNM and will be key to the success of New York's distributed energy market initiatives, should be supported and enabled by New York's RNM regulatory regime. However, it is important to pair this flexibility with proper market signals to ensure efficient investments that lead to sustainable market growth. Therefore, the Parties urge the Commission to remove restrictions on the ability of generators to match with satellite accounts, and instead institute less prescriptive policy that maintains flexibility while encouraging efficient investment. To this end, the Commission should consider requiring that RNM credits for host systems that do not have sufficient demand from satellite accounts will expire after a period of time or be compensated at the generation rate. A policy change to this effect will animate the distributed energy market by providing parties the regulatory flexibility needed to unlock market potential that may otherwise go untapped, while also sending a signal to market participants to make efficient renewable energy investments that will lead to sustainable market growth.

And, more specifically, the Commission should require electric utilities to allow satellite accounts to be served by multiple host systems and should allow customers with onsite net metering systems to also receive net metering credits from RNM facilities.

a. The Commission Should Require Electric Utilities to Allow Satellite Accounts to be Served by Multiple Host Systems

In its comments filed on February 17, 2015, Cornell University (Cornell) identified the current restriction on satellite accounts to only one host account (One Host Limitation) in New York State Electric and Gas Corporation's (NYSEG) RNM tariff as a barrier to increased renewable energy adoption.⁴ Further, Cornell argued that the restriction is not based in statute and therefore should be removed.⁵

In addition to NYSEG, this restriction exists in the RNM tariffs of three other major distribution utilities: Consolidated Edison, Orange and Rockland, and Rochester Gas and Electric. The Parties agree with Cornell that restricting satellite accounts to only one host account creates a significant regulatory barrier to energy consumers interested in offsetting their consumption with renewable energy that is counter to the intent of RNM and is not based in statute.

First, the One Host Limitation found in utility tariffs is not based in the Public Service Law controlling RNM. The Public Service Law explicitly states the criteria for RNM as follows: (i) the Host and Satellite Accounts must be at premises owned or leased by the same customer and in the same customer name; (ii) both the Host and Satellite Accounts must be within the same utility service territory and load zone.⁶ The One Host Limitation is not expressly stated, nor implied, in the statutory language controlling RNM in New York. In fact, the One Host Limitation is more restrictive than the statutory language, and therefore should be removed.

Further, the One Host Limitation is a significant regulatory barrier to the growth of the distributed energy market that clearly contradicts the intent of New York's RNM program by limiting flexibility and hindering customer adoption of renewable energy. Many members of the Parties who are active in the New York market work with large energy-intensive commercial and industrial off-takers. These customers have the capacity to consume credits from multiple host systems. However, the One Host Limitation restricts their ability to offset their consumption with renewable energy because they are often served by a single customer account. This, in essence, caps their ability to offset consumption of renewable energy to the output of a

⁴ Comments of Cornell University, filed February 17, 2015 (Cases 14-E-0151 and 14-E-0422) at 3-4

⁵ Id.

⁶ PSL §66-j(3)(e)

single 2 MW host system, which in many cases is less renewable energy than they would otherwise procure were the One Host Limitation removed.

Finally, the nominal administrative burden that may be placed on the utilities as a result of removing the One Host Limitation is insufficient justification for keeping this barrier in place. National Grid is currently successfully allowing satellite accounts to be served by multiple host systems, and, as a matter of policy, a nominal level administrative burden should not stand in the way of the many regulatory reforms needed to unlock the vast potential of the DER market.

Therefore, the Parties support Cornell's request to remove the One Host Limitation from utility RNM tariffs.

b. The Commission Should Allow Customers with Onsite Net Metering Systems to also Receive Net Metering Credits from RNM Facilities.

Additionally, the Parties respectfully request the Commission reconsider the restriction on customers with onsite net metering systems to also receive net metering credits from RNM facilities. This limitation is not based on the express language of PSL §66-j(3)(e), nor can it be implied. In fact, this restriction is counter to the intent of RNM: to increase customer adoption of distributed renewables by enabling flexibility in the market. Additionally, the restriction runs counter to the Commission's long term goal of leveraging increased deployment of DER resources to develop a liquid and robust DER market.

2. CONCLUSION

The Parties support the Commission's goal to develop sustainable DER markets through regulatory reform. Remote net metering has proven to be an effective mechanism for driving DER deployment and adoption. However, the regulatory reforms addressed herein are needed to ensure that RNM continues to be a successful market driver. Therefore, the Parties urge the Commission to remove restrictions on the ability of generators to match with satellite accounts, and instead institute less prescriptive policy that maintains flexibility while encouraging efficient investment, such as requiring that RNM credits for host systems that do not have sufficient demand from satellite accounts will expire after a period of time or be compensated at the generation rate. And, more specifically, the Commission should require electric utilities to allow

satellite accounts to be served by multiple host systems and allow customers with onsite net metering systems to also receive net metering credits from RNM facilities.

Respectfully submitted on June 29, 2015

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