

**BEFORE THE STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

**In the Matter of Consolidated Billing for Distributed )  
Energy Resources. )** **Case 19-M-0463**

**Proceeding on Motion of the Commission as to the )  
Policies, Requirements and Conditions for )** **Case 15-E-0082**  
**Implementing a Community Net Metering Program. )**

**COMMENTS REGARDING PETITION FOR REHEARING OF THE PUBLIC  
SERVICE COMMISSION'S ORDER APPROVING COMMUNITY DISTRIBUTED  
GENERATION BILLING AND CREDITING PERFORMANCE METRICS**

**COALITION FOR COMMUNITY SOLAR  
ACCESS**

Kate Daniel  
Northeast Regional Director

Blake Elder  
Senior Regulatory Policy Manager

**NEW YORK SOLAR ENERGY INDUSTRIES  
ASSOCIATION**

Noah Ginsburg  
Executive Director

November 10, 2025

**TABLE OF CONTENTS**

I. Introduction..... 1

II. Effect of Premature Fee Authorization .....2

III. Allowing Cost Recovery of Performance Metrics is Inconsistent with Commission Practice  
and Contrary to the Intent of Negative Revenue Adjustments .....4

IV. Evaluating Utility Implementation Cost Estimates.....5

    A. The Utilities’ Cost Estimates Provide Insufficient Information. ....7

    B. The Utilities’ Cost Estimates Are Not Reasonable. ....8

    C. The Utilities’ Cost Estimates Demonstrate the Need for Verification. ....9

V. Conclusion ..... 10



increase to CDG Net Crediting fee assessed to CDG Hosts was imposed outside of a formal rate case and without the benefit of a utility proposal “based on actual costs and recovery.”<sup>3</sup>

The Petition seeks a narrow rehearing of the 50% increase to the CDG Net Crediting fee on grounds that it is inconsistent with the New York Public Service Law (“PSL”) and contrary to the factual record before the Commission. The Petition recommends the Commission maintain the 1.0% CDG Net Crediting fee until the appropriateness of the fee and the obligated party responsible for funding the implementation costs associated with the adopted timeliness metrics can be duly considered and evaluated in a separate proceeding.

As part of the Order, the Commission also directed each electric utility to provide an estimate of its costs to implement the two adopted performance metrics and associated NRAs. Each utility filed its cost estimate in this case on September 15, 2025.<sup>4</sup> As discussed below, the information provided in these utility cost estimate filings is insufficient to determine whether the increase to the CDG Net Crediting fee is warranted. Further, the lack of granularity in the utilities’ filings reinforces the Petition’s request that the Commission closely evaluate these cost estimates to determine their reasonableness.

## **II. Effect of Premature Fee Authorization**

Typically, the Commission only approves a rate increase after a utility provides reasonable cost estimates which the Commission deems just and reasonable. Approving a rate increase prior to receiving data to justify it violates longstanding principles of ratemaking. The Commission’s decision to authorize a 50% increase in the CDG Net Crediting fee before receiving or reviewing detailed utility cost estimates represents a procedural deficiency that undermines the foundation of evidence-based ratemaking.

The Order effectively approved new utility revenues on the assumption that costs would later justify them. This “cart-before-the-horse” approach inverts the established process under PSL §65, which requires rates to be “just and reasonable” based on demonstrable need, not speculation. By authorizing the fee increase prior to verifying the costs, the Commission removed the incentive for utilities to submit objective, utility-specific cost analyses. Instead, utilities were encouraged to develop cost estimates after the fact, retrofitting them to align with the pre-approved incremental revenues from the 50% CDG Net Crediting fee increase. The result is not a showing of prudence, but a justification exercise. This procedural shortcut deprives stakeholders of a fair opportunity to test, through discovery and evidentiary review, whether the expenditures are necessary,

---

<sup>3</sup> Case 19-M-0463, *Order Regarding Consolidated Billing For Community Distributed Generation* at 19 (December 12, 2019) (“December 2019 Order”).

<sup>4</sup> NYSEG and RG&E filed a correction to their cost estimate on September 19, 2025.

incremental, or appropriately allocated to functions related to the adopted performance metrics and NRAs.

From a policy standpoint, this premature authorization sets a troubling precedent. It signals to regulated entities that the Commission may approve rate increases in anticipation of potential costs and allow post hoc documentation to fill the evidentiary gap. This premature CDG Net Crediting fee authorization also significantly deviates from prior Commission practice.

In its *Order Regarding Consolidated Billing for Community Distributed Generation*, the Commission expressly recognized that a 1.0% CDG Net Crediting fee was appropriate given the simplicity of the Net Crediting model and the expected moderation of costs relative to other consolidated billing arrangements.<sup>5</sup> The Commission also established a transparent process for addressing any utility claim that the 1.0% CDG Net Crediting fee was insufficient to cover incurred costs. This process requires that each utility track the actual costs associated with implementing and operating the Net Crediting model, then file an annual report documenting those costs, the amount recovered through the CDG Net Crediting fee, and certain participation statistics.<sup>6</sup>

The Commission further stated that “[a]fter the implementation of the net crediting model, and based on actual data about costs and recovery, a utility or utilities may file a proposal for a change to the discount rate,” and that “[t]he costs associated with the program and the discount rate may also be reviewed in utility rate cases.”<sup>7</sup> In other words, the Commission already authorized a fact-based, utility-specific mechanism to address any shortfall in legitimate CDG Net Crediting cost recovery.

Under this precedent, a utility that can demonstrate the existing 1.0% rate is insufficient based on actual cost data and workpapers has the right to petition the Commission for an increase. The Commission can then evaluate that petition on the factual record, consistent with its statutory obligation to ensure just and reasonable rates under PSL §65. This targeted, evidence-driven process is more equitable than the Order’s automatic 50% fee increase, which is not tied to any demonstrated utility-specific cost shortfall and risks substantial overcollection from CDG Hosts. If left uncorrected, this decision could normalize blanket revenue increases absent concrete data, undermining the transparency, predictability, and accountability of New York’s ratemaking process.

The Commission’s premature approval of a higher CDG Net Crediting fee also creates avoidable market uncertainty. CDG developers structure projects around stable, predictable compensation mechanisms. Introducing new administrative fees for projects that have secured financing, entered

---

<sup>5</sup> December 2019 Order at 18-19.

<sup>6</sup> *Id.* at 19.

<sup>7</sup> *Id.*

construction, or are already operational will make future CDG projects more expensive. When the Commission allows utilities to raise fees without substantiated cost evidence, it introduces a perception of regulatory risk that future cost recovery changes may occur arbitrarily or retroactively. This uncertainty directly affects project financing.

Going forward, financiers that previously provided capital based on the existing 1.0% CDG Net Crediting fee will need to consider the potential risk that the Commission may introduce new unforeseen soft costs for projects participating in the CDG program at any point after financial commitments are made and, crucially, without a stakeholder input. This heightened perception of regulatory risk will translate into higher cost of capital, reduced investment appetite, and ultimately, more expensive or less viable community solar offerings for New Yorkers. By conditioning any fee adjustments on verified cost showings, the Commission can reinforce market confidence and uphold the transparency principles that have made New York's CDG framework successful.

### **III. Allowing Cost Recovery of Performance Metrics is Inconsistent with Commission Practice and Contrary to the Intent of Negative Revenue Adjustments**

The adopted performance metrics and associated NRAs are not the only or first instance of tracking utility performance on key provisions. For example, the Customer Service Performance Indicators ("CSPIs") require ongoing tracking of complaints, call answer rates, and customer satisfaction survey responses. The CSPIs have existed in some form for over 30 years, and the utilities do not request specific cost recovery for the costs of reporting on these metrics.<sup>8</sup> In fact, it would be counterintuitive to expect that they would incur additional costs directly on customers for the purposes of identifying and remedying customer service failures.

Additionally, three of the investor-owned utilities (Con Edison, NYSEG, and RG&E) are *already* tracking credit timeliness for the purpose of applying a remedial \$10 monthly credit to CDG subscribers who have experienced delays in the application of their bill credits. In its last approved rate case, Con Edison described when the credit would be applied, that expenditures related to the monthly credit would not be recovered from customers, and the quarterly reports the company will file to demonstrate compliance with the monthly credit requirement. Notably, Con Edison does not detail the costs of generating the quarterly report or seek to include such costs in its revenue

---

<sup>8</sup>Case 15-M-0566, *Order Adopting Revisions to Customer Service Reporting Metrics* (issued August 4, 2017) (Metrics Order) - the Metrics Order includes no discussion of making the utilities whole for any increased reporting costs with the new metrics. *See also*, Case 22-E-0064, *Order Adopting Terms of Joint Proposal and Establishing Electric and Gas Rate Plans with Additional Requirements*, or Case 24-E-0322, *Order Adopting Joint Proposal and Establishing Rate Plans, and Joint Proposal* (Appendix 14) - where the CSPIs are discussed, the treatment of any negative or positive revenue adjustments based on performance is discussed, but the actual costs of reporting on the performance metrics themselves are not called out or requested as part of the utilities revenue requirements.

requirement.<sup>9</sup> Similarly, NYSEG does not directly reference tracking or reporting costs of the remedial CDG monthly credit, but does clearly state:

The Monthly Credits will be borne using shareholder funds and not replace or offset the CDG/value stack credits that customers are entitled to. The cost of the Monthly Credits will not be recovered from customers via reconciliation, the revenue decoupling mechanism, deferral, surcharge, or other mechanism collecting the funds from customers.<sup>10</sup>

Given that there is no clear precedent for customers to pay for the utilities’ efforts to improve customer service, rather than such costs being borne by shareholders, it is inappropriate for CDG billing and crediting performance metrics and NRAs to be the exception. As stated in the Petition, CDG Hosts and subscribers did not cause billing and crediting issues; the record is clear that this was utility error, and appropriate to correct by creating a utility incentive to improve performance.

**IV. Evaluating Utility Implementation Cost Estimates**

As shown in the table below, the September 2025 utility cost estimate filings show wide discrepancies in both the methodology (e.g., IT system upgrades, external contractors, manual processes) and magnitude of costs for implementing and administering the NRA performance metrics. Most utilities offered limited justification for the estimated costs and little to no detailed explanation of their proposed actions to implement the NRA performance metrics.

Utility	Implementation Cost Estimate	FTE
Central Hudson	\$659,500	1
Con Edison	\$1,042,600	1
National Grid	\$1,200,000	9
NYSEG	\$1,950,960	6
ORU	\$189,400	1
RG&E	\$1,019,230	3

In general, the utilities’ cost estimate filings lack granularity and detail necessary to evaluate either the reasonableness of their proposed implementation strategies or the credibility of their cost estimates. The filings provide high-level descriptions of activities, using generic or undefined terminology such as “automation” and “system enhancements” that do not specify work products, timelines, or labor assumptions. This lack of detail makes it impossible for the Commission or stakeholders to verify whether the proposed costs are incremental, prudent, or proportionate to the limited scope of the two adopted NRA performance metrics.

<sup>9</sup> See, Case 22-E-0064, Joint Proposal at 103-106.  
<sup>10</sup> See, Case 22-E-0317, Joint Proposal, Appendix P.

For example, NYSEG and RG&E stated an intent to contract with an external consultant through a Request for Proposals to implement system enhancements that include “volumetric CDG file automation,” “Value Stack CDG file automation,” and “improvements to partially automated CDG processes.”<sup>11</sup> However, the filing does not explain what these enhancements actually entail, why they are necessary, or how they would contribute to or improve the utilities’ ability to track and report on the approved performance metrics and NRAs. In addition, these utilities estimated that such system enhancements would cost between \$1.2 million to \$1.4 million “based on similar past projects,” without any identification or explanations of those other projects. Despite NYSEG and RGE’s proposed capital investments to automate processes described above, they also proposed the addition of nine new full-time employees (“FTEs”) and annual O&M expenses of \$1.3 million.

In comparison, National Grid proposed a predominately manual process involving nine FTE roles over a two-year period “to address data architecture, systems integration, data governance, billing resolution, compliance reporting, and operational support.”<sup>12</sup> Again, there is no explanation or detail of how these roles or their functions directly relate to the implementation or administration of the two approved performance metrics and associated NRAs, nor is there enough information to justify the reasonableness of the estimated \$1.2 million that National Grid expects to incur over the next two years.

Similar to the other utilities, Central Hudson includes a brief description of the IT work that it intends to undertake to implement the performance metric and NRA tracking and reporting, such as “automation of host allocation and initial host portal development” and “miscellaneous accounting efforts to implement metrics.” When discussing the role of the one FTE it anticipates needing for implementation and administration of the performance metrics and NRAs, Central Hudson opaquely notes that this role will support “various tasks” such as “host form validations; routine monitoring of billing results and credit postings; cost analysis; and reporting tracking and validation.”<sup>13</sup>

Con Edison and O&R were the only utilities to provide some level of detail, albeit basic, regarding their plans to implement the approved performance metrics and NRAs. These utilities describe how they will modify their existing customer billing system with logic programming to determine (1) if there is a delay in applying bill credits to a CDG subscriber’s account and (2) whether that delay exceeds the 75-day timeframe that makes a CDG subscriber eligible for a \$10 per month

---

<sup>11</sup> Case 19-M-0463, NYSEG/RG&E Negative Revenue Adjustment Implementation Report (Revised) at 2 (September 19, 2025).

<sup>12</sup> Case 19-M-0463, National Grid Negative Revenue Adjustment Implementation Report at 1 (September 15, 2025).

<sup>13</sup> Case 19-M-0463, Central Hudson Negative Revenue Adjustment Implementation Report at 2 (September 15, 2025).

credit.<sup>14</sup> Con Edison and O&R also identify the existing platform that will be leveraged to validate host allocation lists for subscriber eligibility within the time period set forth in the Order. While simplistic, this information at the very least demonstrates that these utilities have thought through the implementation of the performance metrics and NRAs beyond a cursory level.

#### **A. The Utilities' Cost Estimates Provide Insufficient Information.**

The utilities' cost estimate filings lack the documentation and analytical support necessary for the Commission to determine whether the proposed implementation costs are reasonable, incremental, or aligned with the actual requirements of the adopted performance metrics and NRAs.

##### *No standardized format or cost methodology.*

Each utility used its own structure and terminology, making cross-utility comparison impossible. Some presented high-level cost categories, while others combined one-time capital expenditures with recurring labor costs. As a result, the filings should be treated less like substantiated estimates and more like cursory summaries. We recommend the Commission set forth more prescriptive requirements for future cost estimates that allow for better comparison across the utilities. A DPS Staff-developed template and clear narrative requirements could be used to ensure consistency across utility cost estimate reports.

##### *Absence of supporting workpapers or data sources.*

No utility included workpapers explaining the assumptions underlying its dollar estimates, such as hourly labor rates, estimated task durations, proposed scopes of work, or accounting methodologies. The lack of documentation prevents verification of whether costs were derived from internal accounting data, engineering estimates, or simple judgment calls. The absence of these materials is in sharp contrast to other regulatory proceedings in which the Commission considers approving the recovery of utility costs, particularly rate cases.

##### *Lack of explanation linking cost drivers to performance metric requirements.*

The cost estimate filings largely describe what utilities plan to do (*i.e.*, hire staff, contract vendors, upgrade systems), but not why those actions are required to measure timeliness of billing or responsiveness to CDG Host Allocation Lists. The two adopted metrics rely on simple timestamped data that should already exist in the utilities' billing systems. None of the utilities explain why they cannot extract this data using existing reporting or analytical tools. Con Edison and O&R come closest by referencing specific system logic updates, but even they provide only high-level descriptions without documentation of design specifications.

---

<sup>14</sup> Case 19-M-0463, Con Edison/O&R Negative Revenue Adjustment Implementation Report at 3 (September 15, 2025).

*Failure to demonstrate cost efficiency or scalability.*

Several filings propose presumably permanent staffing expansions or recurring O&M budgets without showing how automation will reduce these costs over time. NYSEG and RG&E, for example, claim to be automating multiple CDG processes while simultaneously adding nine permanent FTEs. Such inconsistencies indicate that utilities have not developed clear implementation roadmaps or cost-reduction trajectories, which we believe are key elements of any cost estimate.

The information provided by the utilities is too limited to satisfy the Commission's standards for cost recovery. Without standardized reporting templates, supporting workpapers, or other substantiated documentation there is no factual basis to determine whether the proposed cost estimates are justified or incremental. The Commission should therefore suspend any collection above the existing 1.0% CDG Net Crediting fee until utilities supply sufficient detail to support an informed review.

#### **B. The Utilities' Cost Estimates Are Not Reasonable.**

As the Order recognized, the two adopted performance metrics that were approved are simple to track, measure, and report on; for both metrics, the utilities must simply calculate the time duration between two timestamped events and report that data four times each year in the form of a simple spreadsheet template prepared by DPS Staff.<sup>15</sup> The cost estimates provided by the utilities do not reasonably reflect the simplicity of the adopted performance metrics.

Some of the data reporting requirements, such as the total number of CDG projects and the total number of CDG subscribers, are currently tracked by the utilities and provided in the annual net crediting reports provided to the Commission each March. Additionally, Con Edison, NYSEG, and RG&E are each all currently reporting the number of CDG subscribers who had a \$10 per month credit applied to their bill as a result of adopted settlements in their respective rate cases, *though NYSEG and RG&E omitted such detail in its cost estimate filing*. Additional staffing should not be required to achieve the timely processing of CDG Host Allocation Lists, because these lists are already exchanged and validated between utilities and CDG Hosts as part of routine billing operations. Transforming an additional process into a measurable metric should not require new system architecture or additional staff beyond minimal quality-assurance and reporting support.

Nevertheless, the utilities collectively project millions of dollars in new expenditures and dozens of new FTEs. The filings show a complete lack of proportionality between the simple nature of the required tracking and the magnitude of the requested budgets. For example, NYSEG and RG&E propose combined costs approaching \$3 million and nine new employees to automate data reporting functions that already exist within their billing systems. National Grid and Central

---

<sup>15</sup> This spreadsheet template was filed by DPS Staff in Case 19-M-0463 on August 1, 2025.

Hudson similarly cite manual tracking and “data governance” needs to justify new full-time positions, despite years of prior investment in net crediting automation. These proposals reflect an inflated view of what is required to comply with the Order and appear more consistent with institutional budget expansion than genuine incremental need.

Further, the filings demonstrate inconsistent treatment of automation across the utilities. NYSEG, RG&E, and Central Hudson claim to require new IT investments for automation while simultaneously justifying large increases in manual staffing; National Grid and others propose manual processes even after years of system upgrades. These inconsistencies undermine the credibility of the estimates and raise the possibility of cost-padding or double-counting between new and existing CDG-related infrastructure and staffing functions. Absent supporting workpapers, benchmarking, or functional analysis, there is no basis for the Commission to find these costs “prudent and necessary” within the meaning of PSL §65.

For these reasons, the September 2025 cost estimate filings cannot reasonably be found to represent reasonable, incremental costs necessary to implement the two adopted performance metrics and associated NRAs. The Commission should not treat these submissions as credible evidence of under-recovery or as a basis for continued collection of the increased 1.5% CDG Net Crediting fee.

### **C. The Utilities’ Cost Estimates Demonstrate the Need for Verification.**

As explained in the Petition, the Commission has established that any change to the CDG Net Crediting fee should be considered within the context of a utility rate case or utility proposal based on “actual data about costs and recovery.”<sup>16</sup> In such a proceeding, the proposed change can then be formally subjected to discovery by DPS Staff and intervening stakeholders to ensure that the costs are prudently incurred, accurately calculated, and just and reasonable. The discussion of the prior section of these comments demonstrates how the September 2025 utility cost estimates remain incomplete. They provide no reliable basis for determining whether the increased CDG Net Crediting fee reflects prudently incurred incremental costs or whether the increase simply results in over-recovery for the utilities.

Simply put, the Commission should view these filings as preliminary and insufficient for determining cost recovery. To ensure the reasonableness and prudence of utility costs for net crediting and the adopted performance metrics and NRAs, the Commission should require that any

---

<sup>16</sup> See, December 2019 Order. See also PSL §66(2) (providing that the Commission shall “examine or investigate the methods employed by [] persons, corporations and municipalities in manufacturing, distributing and supplying ... electricity ... and have power to order such reasonable improvements as well as promote the public interest, preserve the public health and protect those using such gas or electricity ...”).

adjustment of the CDG Net Crediting fee be verified through a full evidentiary review process. As part of this process, utilities should be required to provide the following minimum information:

- Detailed workpapers identifying each line-item cost, vendor needs, and internal labor assumptions used to estimate project costs.
- A complete narrative explanation that links each expenditure to a specific compliance requirement or metric.
- Evidence of incrementality that demonstrates the claimed (or estimated) cost are new and not duplicative of existing net crediting or billing system functions.

In addition, utilities should be required to expand their annual CDG Net Crediting reports to include itemized cost detail rather than a single aggregated figure. These reports currently contain only high-level totals that obscure how funds are spent or which activities are being performed. A review of the past five years of utilities' filings shows large and unexplained variations in reported implementation costs. A standardized reporting template, detailing costs by function (*e.g.*, IT development, staffing, data management, vendor services), would allow DPS Staff and stakeholders to better assess whether utilities are achieving efficiency over time or simply duplicating expenses.

Without proper discovery, there is no mechanism for DPS Staff or intervenors to test the prudence of claimed costs, identify inefficiencies, or determine whether certain functions are already funded through base rates or other proceedings. A discovery process would enable parties to verify and compare cost assumptions across utilities, request clarification on shared IT or vendor expenses, and evaluate whether projected labor additions are justified in light of existing automation.

The Commission should therefore grant the Petition's request for rehearing and direct that any proposed increase to the CDG Net Crediting fee be supported by a detailed cost filing subject to a formal discovery process open to DPS Staff and all interested stakeholders. This procedural approach will ensure that CDG subscribers and hosts are protected from unjust or unreasonable charges, that utilities are compensated only for prudently incurred incremental costs, and that future fee determinations are grounded in a transparent evidentiary record. Importantly, requiring such review need not delay the implementation of the Commission-approved performance metrics and NRAs; it merely ensures that cost recovery proceeds in a manner consistent with established ratemaking standards and due process.

## **V. Conclusion**

CCSA and NYSEIA urge the Commission to grant the Petition and reverse the premature 50% increase to the CDG Net Crediting fee approved by the Commission. The Order authorized an incremental fee increase without verified cost data, which is inconsistent with state law and

Commission precedent. The September 2025 utility cost filings demonstrate that the implementation cost estimates for the adopted performance metrics and NRAs are unsubstantiated and disproportionate to the simplistic nature of the adopted metrics. The Commission should maintain the CDG Net Crediting fee at 1.0% unless and until a utility-specific, evidence-based, and Commission-verified cost showing justifies an increase.

Dated: November 10, 2025

**COALITION FOR COMMUNITY SOLAR ACCESS**

*/s/ Blake Elder*  
Blake Elder  
Senior Regulatory Policy Manager  
Coalition for Community Solar Access  
1380 Monroe Street NW, #721  
Washington, DC 20010  
(T) 919-434-1350  
(E) [blake@communitysolaraccess.org](mailto:blake@communitysolaraccess.org)

*/s/ Kate Daniel*  
Kate Daniel  
Northeast Regional Director  
Coalition for Community Solar Access  
1380 Monroe Street NW, #721  
Washington, DC 20010  
(T) 617-800-4136  
(E) [kate@communitysolaraccess.org](mailto:kate@communitysolaraccess.org)

**NEW YORK SOLAR ENERGY INDUSTRIES ASSOCIATION**

*/s/ Noah Ginsburg*  
Executive Director  
New York Solar Energy Industries Association  
P.O. Box 1523  
Long Island City, NY, 11101  
(T) 347-509-6044  
(E) [noah@nyseia.org](mailto:noah@nyseia.org)