

July 7, 2026

Submitted Electronically

To:

Hon. Michelle L. Phillips, Secretary
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12223-1350

Re: Case 15-E-0751 **Request for Action:** Adopt the Value of Distributed Energy Resources (VDER) updated Demand Reduction Value (DRV) rates, with modification, at the upcoming Commission session.

Honorable Commissioners,

On behalf of National Energy Development, we respectfully request that the Commission adopt the updated DRV components of VDER at the upcoming session, with one modification: establish a one-time mechanism allowing *projects located within the NYSEG and RG&E service territories that previously locked in a DRV rate after December 11, 2025, to become eligible for the updated DRV rates.*

This one-time mechanism is suitable because certain distributed-generation solar projects located within NYSEG and RG&E's upstate territories have experienced extraordinary inflationary impacts during 2026, including:

- ~240% increase in Tax Load
- ~100% increase in substation related Interconnection Upgrade costs

Need for a One-Time Eligibility Mechanism

For example, a 2.9-MW solar project on 21 acres of land in NYSEG territory has incurred a \$1,000,000 cost increase solely from the two factors above. *This illustrates the timing mismatch: Projects locked in their DRV rates while this VDER proceeding was pending, but incurred substantial costs increases.*

A one-time mechanism would address this mismatch by allowing projects with DRV lock-in dates between December 11, 2025, and July 16, 2026, to be eligible for the updated DRV value. Without this relief, those projects would remain at risk, subject to outdated compensation despite materially higher costs.

The modification would also be protecting projects that have made substantial private investments and secured local permit approvals. Distributed-generation solar projects represent meaningful local investment, tax revenue, and progress toward New York's clean energy goals, and therefore warrant the Commission's support.

Sincerely,

/s/ Ty Baccile II
Chief Development Officer & Partner
National Energy Development