STATE OF NEW YORK PUBLIC SERVICE COMMISSION

**CASE 17-E-0104**

**Tariff filing by Consolidated Edison Company of New York, Inc. to revise P.S.C. No. 10 - Electricity, General Rule 8.3 - Generating Facilities Used on an Emergency Basis for Export, to permit the export of electricity discharged by battery storage systems during demand-response events under the Brooklyn/Queens Demand Management Program.**

# Comments of Tesla, Inc.

May 1, 2017

On February 21, 2017, Consolidated Edison Company of New York ("the Company") filed a tariff revision to General Rule 8.3, "Generating Facilities Used on an Emergency Basis for Export."[1] Under this revision, energy storage technologies would be eligible for compensation under existing demand response programs if interconnected within the networks targeted under the Brooklyn-Queens Demand Management (BQDM) program. More specifically, the revision would permit the export of energy from battery storage onto the primary or secondary distribution feeders only when demand response events are called at the direction of the Company under the BQDM program.

The current restriction against exporting stored energy to the distribution system has had a chilling effect on the ability of storage technologies to compete with other technologies that do not have this restriction. Under the BQDM demand response program, other demand response programs within the Company's territory, and other DER compensation mechanisms, storage is excluded from participation while

[1] Case 17-E-0104; *Revision to Rule 8.3 - Generating Facilities Used on an Emergency Basis for Export*

technologies such as central heat and power (CHP), fuel cells, diesel generators, and others technologies are eligible to receive compensation from Con Edison for their exports.[2] The lack of inclusion of storage in the definitions of these compensation mechanisms is exemplary of the regulatory barriers embedded in the system preventing energy storage from helping the grid to become more efficient, flexible, less costly, and cleaner in New York.

Tesla hereby supports the Company's tariff revision as a vital rule change that would further enable the ability for storage technologies to participate in the BQDM program. Tesla also strongly urges the Commission to also expand this tariff revision beyond the confines of the BQDM program, to demand response and other DER compensation mechanisms. More specifically, the Commission should permit the exporting of energy and power from battery storage. Tesla recommends an expansion of rule 8.3 to allow battery storage technology to provide "load delivery" onto the primary (and secondary)[3] distribution feeders at the direction of the New York Independent System Operators ("NYISO") Special Case Resource or Emergency Demand Response Program or by the Company under Rider O. Furthermore, Tesla urges the Commission to apply these rule changes to the entirety of the Company's service territory.

Tesla also recommends a review of other tariffs and DER compensation mechanisms as they relate to storage, such as Commercial Demand Response program

[2] Service Classification No. 11; Special Provision (A)
[3] The Company's revision expands rule 8.3 to permit storage to provide load delivery onto the secondary distribution only within the BQDM program, while these comments suggest that this expansion should be available throughout the utility territory. To mitigate safety concerns, battery storage technology would be subject to the same interconnection and operational requirements currently noted in the rule.

under Rider T, the offset tariff,[4] Value of D tariff[5] and others. Expansion of available tariffs to storage is crucial to achieving the cost-effective, resilient, flexible, and clean electric grid in New York.

Tesla appreciates the opportunity to comment on the tariff revision, and looks forward to continuing a collaborative discussion on this issue with the Company, Staff, and the Commission.

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[4] General Rule 20.2.1(B)(7-8)

[5] Currently under development; see case 15-E-0751