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April 15, 2024

**VIA ELECTRONIC DELIVERY**

Honorable Michelle L. Phillips  
Secretary  
New York State Public Service Commission  
Three Empire State Plaza  
Albany, New York 12223-1350

**RE: Case 14-E-0423 – Proceeding on Motion of the Commission to Develop  
Dynamic Load Management Program Programs**

**PETITION FOR REHEARING, RECONSIDERATION, AND  
CLARIFICATION AND MOTION FOR STAY OF THE COMMISSION’S  
MARCH 15, 2024 ORDER DIRECTING DYNAMIC LOAD  
MANAGEMENT PROGRAM CHANGES**

Dear Secretary Phillips:

Niagara Mohawk Power Corporation d/b/a National Grid (“National Grid”) hereby submits for filing a petition seeking rehearing, reconsideration, and clarification and a motion of for stay of the Public Service Commission’s March 15, 2024 *Order Directing Dynamic Load Management Program Changes* in the subject proceeding.

Respectfully submitted,

*/s/ Janet M. Audunson*

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STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission to Develop )  
Dynamic Load Management Program Programs )

Case 14-E-0423

**PETITION FOR REHEARING, RECONSIDERATION, AND CLARIFICATION AND  
MOTION FOR STAY OF THE COMMISSION’S MARCH 15, 2024 ORDER  
DIRECTING DYNAMIC LOAD MANAGEMENT PROGRAM CHANGES**

**I. Introduction**

Pursuant to New York Public Service Law § 22 and Section 3.7 of the Public Service Commission’s (Commission) rules and regulations, 16 NYCRR § 3.7, Niagara Mohawk Power Corporation d/b/a National Grid (National Grid or the Company) files this petition for rehearing, reconsideration, and clarification of the Commission’s March 15, 2024 *Order Directing Dynamic Load Management Program Changes* (Order).<sup>1</sup>

The Order largely adopts changes to the Dynamic Load Management (DLM) programs as proposed by the Joint Utilities<sup>2</sup> on November 1, 2023<sup>3</sup> but further directs National Grid, New York State Electric & Gas Corporation, Rochester Gas & Electric Corporation, and Central Hudson Gas & Electric Corporation (Affected Utilities) to file tariff amendments modifying the Commercial System Relief Program (CSRP) and Dynamic Load Relief Program (DLRP) to state

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<sup>1</sup> Case 14-E-0423, *Proceeding on Motion of the Commission to Develop Dynamic Load Management Programs* (DLM Proceeding), Order Directing Dynamic Load Management Program Changes (issued March 15, 2024) (Order).

<sup>2</sup> The Joint Utilities are Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc. (Con Edison), New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange & Rockland Utilities, Inc. (O&R), and Rochester Gas & Electric Corporation.

<sup>3</sup> *See, e.g.*, DLM Proceeding, National Grid Dynamic Load Management Programs Annual Report for 2023 Capability Period (filed November 15, 2023) (National Grid DLM Programs 2023 Capability Period Annual Report).

that Performance Payments<sup>4</sup> will not be made under these programs if service is taken under net energy metering (NEM) or Value Stack.<sup>5</sup> This directive conflicts with National Grid's current practice as set forth in the Electricity Tariff regarding limitations and exclusions for participating in CSRP and DLRP.<sup>6</sup> As described below, National Grid seeks reconsideration and/or clarification on this specific aspect of the Order and respectfully asks the Commission to clarify how these changes are to be applied to the Company's existing CSRP and DLRP with guidance as to the implementation of these changes in the Electricity Tariff in light of the Company's current practice. Additionally, National Grid has identified what it believes to be certain related inconsistencies within the Order that are contrary to previous Commission orders and existing utility tariffs with the potential to create unintended program impacts for which clarification is sought from the Commission. Lastly, an extension of time is sought to file tariff changes until after the Commission responds to this petition.

## **II. Background**

In December 2014, the Commission opened the DLM Proceeding to consider various demand response alternatives and to begin the development and implementation of distribution-level demand response programs and other dynamic load management programs with the goal of improving system reliability and resiliency; capturing the benefits of increased system efficiency; and providing customers with another set of options to help them manage their utility bills.<sup>7</sup>

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<sup>4</sup> Performance Payments are payments made to customers on a dollar per kWh basis only during called demand response events.

<sup>5</sup> DLM Proceeding, Order, Ordering Clause No. 4, p. 20.

<sup>6</sup> See PSC No. 220 Electricity, Niagara Mohawk Power Corporation d/b/a National Grid Schedule for Electric Service (Electricity Tariff), leaves 263.9 and 263.16.

<sup>7</sup> DLM Proceeding, *Order Instituting Proceeding Regarding Dynamic Load Management and Directing Tariff Filings* (issued December 15, 2014), p. 2.

On November 15, 2023, the Joint Utilities submitted their annual reports detailing the performance of their respective DLM programs, summarizing the most recent capability period's achievements and, in some instances, proposing program changes to improve the operations and cost-effectiveness of the DLM programs. In its filing, National Grid proposed to extend the exclusion of Phase One NEM from Term- and Auto-DLM to its CSRPs.<sup>8</sup> The Term- and Auto-DLM eligibility language in the Company's Electricity Tariff currently states that "customers who take service under Rule 36, Rule 37, or Rule 40.1 are not eligible to participate in these Programs."<sup>9</sup> The CSRPs eligibility criteria currently states that customers who take service under Rule 36 and Rule 37 are not eligible to participate in the CSRPs.<sup>10</sup> In the National Grid DLM Programs 2023 Capability Period Annual Report, the Company suggested that the difference in eligibility is an oversight, and that it is appropriate to extend the exclusion of Phase One NEM to CSRPs to align the programs more fully.<sup>11</sup> Both Phase One NEM and traditional NEM are volumetric net metering programs in which solar photovoltaic (PV) production, among other eligible distributed energy resources, is exported to the grid and offsets customer use with a kilowatt-hour (kWh) reduction on a 1:1 ratio. National Grid simply proposed to extend the exclusion of Phase One NEM from CSRPs as NEM is already excluded.<sup>12</sup> To be clear, the Company did not suggest extending the exclusion to Value Stack customers taking service under Rule 40.2 given that previous Commission action under the VDER Proceeding specifically allows Value Stack customers the one-time irrevocable option to participate in CSRPs and DLRPs

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<sup>8</sup> DLM Proceeding, National Grid DLM Programs 2023 Capability Period Annual Report, p. 22.

<sup>9</sup> Electricity Tariff, Rules 36 and 37, refer to volumetric NEM programs and Value of Distributed Energy Resources (VDER), respectively, whereas Rule 40.1 refers to Phase One NEM.

<sup>10</sup> *Id.*, Rule 62, Rule 36 and Rule 37 address the Company's volumetric net metering requirements.

<sup>11</sup> *Supra*, note 8.

<sup>12</sup> *Id.*

in lieu of compensation for the Demand Reduction Value (DRV) and Locational Specific Relief Value (LSRV) of the Value Stack components.<sup>13</sup>

The Order adopts the Joint Utilities' individual proposals with few exceptions. The Commission specifically states the adoption of National Grid's proposal to modify customer eligibility and dual-participation rules by extending the exclusion of Phase One NEM customers in the CSRP.<sup>14</sup> The Commission supports the decision by explaining that NEM does not disaggregate the various value streams within NEM compensation and therefore, it is impossible to ensure that allowing customers to participate in both NEM and DLM programs would not result in a double payment for the same benefit stream. The Commission notes that allowing CSRP to take service under Phase One NEM allows for the possibility of double payments for the same service.<sup>15</sup> However, the Commission continues by comparing the Affected Utilities' tariff language to that of Con Edison's and O&R's tariffs that stipulate that Performance Payments will not be made under CSRP and DLRP if any service is taken under NEM or Value-Stack, effectively allowing both NEM and Value Stack customers to participate in the Reservation Payment<sup>16</sup> portion of these demand response programs. By explicitly stating that Performance Payments will not be made under CSRP and DLRP if service is taken under NEM or Value Stack, the inference could be drawn that NEM customers *can* participate in these programs through Reservation Payments, which is contradictory to previous Commission

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<sup>13</sup> Case 15-E-0751, *In the Matter of the Value of Distributed Energy Resources* (VDER Proceeding), Order Regarding Value Stack Compensation (issued April 18, 2019), pp. 20-21.

<sup>14</sup> DLM Proceeding, Order, p. 4.

<sup>15</sup> *Id.*, p. 14, citing Cases 18-E-0130 *et al.*, *In the Matter of Energy Storage Deployment Program* (Energy Storage Proceeding), Order Establishing Term-Dynamic Load Management Program Procurements and Associated Cost Recovery (issued September 17, 2020), pp. 16-17.

<sup>16</sup> Reservation Payments are payments made to customers on a dollar per kW basis to provide a specified amount of load reduction during demand response events regardless of whether or not the utility calls its demand response program.

demand response program orders regarding similar demand response programs.<sup>17</sup> The Order concludes with the Commission directing the Affected Utilities to file tariff amendments to “effectuate this modification that Performance Payments will not be made to CSRP and DLRP if service is also taken under NEM or Value-Stack tariffs.”<sup>18</sup>

Accordingly, National Grid seeks reconsideration or clarification from the Commission regarding the inclusion of both NEM and Value Stack customer’s eligibility in CSRP and DLRP as the Order both affirms National Grid’s proposed *exclusion* of NEM from CSRP and also directs the Affected Utilities to *allow* NEM and Value Stack customers the ability to receive Reservation Payments from the programs.

### **III. Motion for Stay**

National Grid seeks an extension of the Order’s requirements to file tariff amendments modifying CSRP and DLRP participation rules until a minimum of fourteen (14) days after the Commission issues a determination in this petition. Staying these tariff filing amendments until that time will avoid unnecessary customer confusion and compliance issues.

### **IV. Conclusion**

The Commission’s March 15, 2024 Order does not provide sufficient information on the participation of NEM and Value Stack customers in CSRP and DLRP and how those customers should be compensated for their injections. For the reasons set forth herein, National Grid seeks reconsideration and clarification by the Commission and additionally asks for implementation guidance in light of the Company’s current Electricity Tariff.

Dated: April 15, 2024

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<sup>17</sup> See, e.g., *supra*, note 15.

<sup>18</sup> DLM Proceeding, Order, p. 15, and Ordering Clause No. 4, pp. 20-21.

Respectfully Submitted,

**NIAGARA MOHAWK POWER  
CORPORATION d/b/a NATIONAL GRID**

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