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April 18, 2016

Honorable Kathleen H. Burgess
Secretary
New York State
Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 15-E-0751 - In the Matter of the Value of Distributed Energy Resources

Dear Secretary Burgess:

Enclosed for filing are the Comments of Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., New York State Electric & Gas Corporation , Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., Rochester Gas and Electric, SolarCity, Inc., SunEdison, Inc., and SunPower, Inc. (collectively the "Solar Progress Partnership") in response to the *Questions on the Value of Distributed Energy Resources and Options Relating to Establishing an Interim Methodology*.

If you have any questions, please contact me. Thank you.

Very truly yours,

Susan Vercheak

Enclosure

*Admitted only in New Jersey

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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of the Value of	)	
Distributed Energy	)	Case 15-E-0751
Resources	)	

COMMENTS OF THE SOLAR PROGRESS PARTNERSHIP ON AN INTERIM SUCCESSOR TO NET ENERGY METERING

I. Introduction

In response to the *Notice Soliciting Comments and Proposals on an Interim Successor to Net Energy Metering and of a Preliminary Conference* issued by the New York State Public Service Commission (the "Commission") on December 23, 2015 ("Notice"),[1] Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc. , New York State Electric & Gas Corporation, Niagara Mohawk Power Corporation d/b/a National Grid, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric, collectively (the "Utilities"); and SolarCity, Inc., SunEdison, Inc., and SunPower, Inc. (the "Solar Parties"); (collectively the "Solar Progress Partnership" or the "Partnership"), hereby file their comments in response to the *Questions on the Value of Distributed Energy Resources and Options Relating to Establishing an Interim Methodology*, as attached to the Notice.[2]

The Solar Progress Partnership came together in recognition of the ongoing and future value of clean Distributed Energy Resources ("DER") to New York, with the goal of sharing ideas and approaches to addressing DER compensation mechanisms within Net Energy Metering ("NEM") programs. The Partnership includes significant distributed solar developers and market

1 Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources, Notice Soliciting Comments and Proposals on an Interim Successor to Net Energy Metering and of a Preliminary Conference, (issued December 23, 2015).
[2] *Id.*

participants in the United States, as well as all of New York's investor-owned utilities, that deliver safe and reliable energy to millions of New Yorkers every day. As recommended by the Administrative Law Judge in the Procedural Conference for this proceeding,[3] the Partnership developed the proposals below as the result of a series of discussions focusing on brainstorming, ideation, and the development of stronger shared understanding of the issues at hand.[4] The Partnership's collaboration was facilitated by the Advanced Energy Economy Institute.

At its core, the Partnership's proposal provides simplicity for customers, recognizes the locational value of clean DER, and attempts to resolve potential bill impacts, particularly to customers who are not participating in NEM ("Non-Participating Customers"). In addition, the proposal incorporates and balances many of the Commission's objectives under the Reforming the Energy Vision ("REV") proceeding: enhancing customer knowledge and engagement, market animation and leverage of customer contributions, system-wide efficiency, fuel and resource diversity, system reliability and resiliency, and the reduction of carbon emissions.[5] Simply stated, the Partnership proposes that On-Site NEM[6] would continue as is until a transition approach is initiated, as determined by the Commission. Community Distributed Generation[7] ("CDG") and Subscribers[8] would continue to receive NEM credits at the full retail

[3] While there is no transcript available from the Procedural Conference in this proceeding held on January 7, 2016, both the Administrative Law Judge and the Department of Public Service Staff encouraged stakeholders to consolidate collegial efforts to present their "best thinking." The Partnership endeavors to do that with this filing.
[4] This effort necessarily meant that each participant modified positions to reach common ground. Should the Commission decline to adopt the proposal herein, each participant reserves its right to submit revised positions on these issues.
[5] Case 14-M-0101, *Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision,* Order Instituting Proceeding (issued April 25, 2014).
[6] "On-Site NEM" refers to net metered resources installed at the location where Customer load is being offset (*e.g.*, residential rooftop solar) and excludes Community Distributed Generation ("CDG") and Grandfathered Remote Net Metered resources ("GRNM").
[7] Case 15-E-0082, *Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions for Implementing a Community Net Metering Program*, Order Establishing a Community Distributed Generation Program and Making Other Findings (issued July 17, 2015)("CDG Order").
[8] CDG Order, pp.7-8.

rate, while the Hosts[9] (or "Developers") of such resources would begin to submit a payment ("Developer Payment") to utilities. Each CDG project would be assigned to a "Tranche" that would establish a compensation rate and associated Developer Payments. Each successive Tranche would incorporate higher Developer Payments, gradually moving the total resource compensation rate to LMP+D+E, as described below. Grandfathered Monetary Crediting Remote Net Metering ("GRMN")[10] projects and Satellites[11] would be subject to a similar interim compensation structure described more fully in these comments.

The Partnership's proposal also includes a variety of other recommendations, including ways to address interconnection queues,[12] and the establishment of a Collaborative to discuss further enhancements to that process. The thinking offered by the Partnership within these comments recognizes the value that clean DER brings to the State, and attempts to strike a balance that encourages ongoing development, while at the same time protecting customer interests and limiting bill impacts, particularly for Non-Participating Customers. The proposal also provides a mechanism to move to a more geographically targeted incentive for those resources that provide locational distribution benefits. The Partnership looks forward to ongoing dialog with all stakeholders on these and any other solutions that may be proposed to further contribute to the Commission's ultimate policy decision.

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[9] CDG Order, pp.8-12.

[10] The Commission's April 17, 2015 Remote Net Metering Order established grandfathering provisions for Remote Net Metered resources that allowed certain resources to continue to apply monetary net metering credits valued at the Host account's rate to a Satellite account. These comments do not address Remote Net Metered resources that do not fall under this provision. Case 14-E-0151 *et al.*, *Hudson Valley Clean Energy, Inc. – Petition for an Increase to the Net Metering Minimum Limitation at Central Hudson Gas & Electric Corporation* ("*Remote Net Metering Proceeding*"), Order Granting Rehearing in Part, Establishing Transition Plan, and Making Other Findings (issued April 17, 2015)("RNM Order").

[11] RNM Order, p. 2.

[12] Throughout this proposal, there are instances where, if the Commission adopts this proposal, the Commission would also need to modify the recently amended Standardized Interconnection Requirements. Case 15-E-0557, *In the Matter of Proposed Amendments to the New York State Standardized Interconnection Requirements (SIR) for Distributed Generators 2 MW or Less,* Order Modifying Standardized Interconnection Requirements (issued March 18, 2016)("SIR Order").

The Solar Parties support application of the compensation mechanisms described here to solar technologies but take no position on whether they should apply to other technologies. Companies representing other technologies eligible to participate in the CDG program did not take part in the development of these comments. It is urged that other DER providers should have the opportunity to comment, along with other stakeholders, as the Commission considers the proposal.

II. Distributed Renewable Energy Is Important to New York's Clean Energy Future and Must Be Compensated Fairly

The Solar Progress Partnership members have long supported the transition to cleaner sources of power in New York, as well as efforts to enhance Customer choice in the State. Clean DER, such as distributed solar generation, advances both of these important goals and should be encouraged to continue development in New York. Distributed solar facilities in particular will play an important role in meeting Governor Cuomo's Clean Energy Standard ("CES") goal of 50 percent renewable energy by 2030 ("50x30").[13] In fact, the Staff Clean Energy Standard Cost Study assumes that these small-scale resources will provide 2,688 MW of qualifying new renewable generation, delivering 3,594 GWh/year by 2023.[14] According to this study, these distributed resources represent the majority of the new renewable generation provided under the CES between 2015 and 2019.[15]

New York is already seeing exponential growth in NEM-eligible clean DER applications across the State. As shown in Chart 1 below, more than 3,100 megawatts ("MW") of NEM-eligible resources are currently installed or in the utilities' interconnection queues. These queues

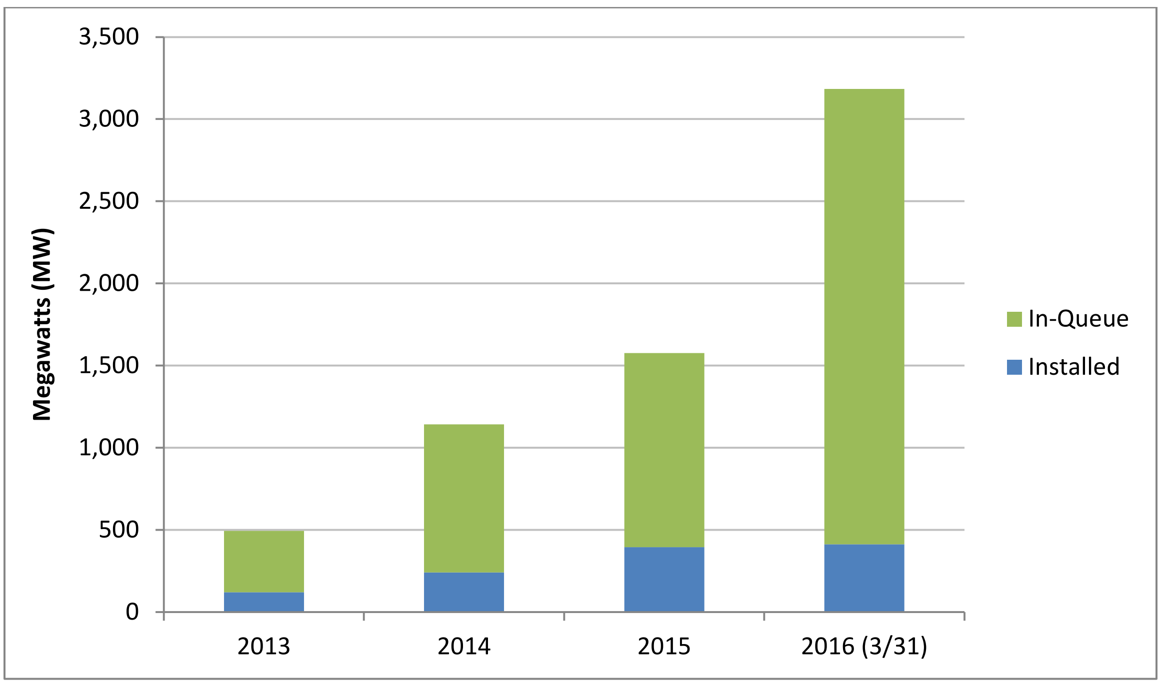
[13] Case 15-E-0302, *Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard*, Notice Soliciting Comments and Providing for Technical Conference and Public Statement Hearings (issued January 15, 2016)("Clean Energy Proceeding").
[14] Clean Energy Proceeding, Clean Energy Standard White Paper – Cost Study (April 8, 2016), pp. 279, 281.
[15] *Id.*

have more than doubled in the first three months of 2016. Much of this recent development activity has been configured as CDG projects.

As currently structured, NEM allows participating customers to reduce distribution system charges on their bill, including power exported onto the grid. When coupled with the Revenue Decoupling Mechanism in New York,[16] distribution system charges that make up the utilities' distribution-system revenue requirement are then shifted to customers who do not participate in NEM ("Shifted Revenue Requirement").

Chart 1: Growth of Non-Wind Net Energy Metering in New York[17]

Net Metered Resources Installed and In Queue, Statewide



[16] Case 03-E-0640, *Proceeding on Motion of the Commission to Investigate Potential Electric Delivery Rate Disincentives Against the Promotion of Energy Efficiency, Renewable Technologies and Distributed Generation*, Order Requiring Proposals for Revenue Decoupling Mechanisms (issued April 18, 2007). The Commission defined Revenue Decoupling Mechanism as a ratemaking approach to eliminate or substantially reduce the link between sales and utility revenues and profits. *Id.*, p.7.

[17] Case 13-00205, Monthly and Quarterly Net Metering Reports filed by Utilities between January 1, 2014 and April 15, 2016.

This growth pattern lends urgency to the Commission's decision-making on DER compensation mechanisms. Clarity is needed to both help the developers and utilities work through the existing interconnection queue in a rational fashion and to help inform developers of current and future CDG and RNM projects as to the level of compensation they are likely to receive.

III. Proposed Transition to LMP+D+E

1. *LMP+D+E*[18]

The Partnership builds on the "LMP+D" proposal in the Staff White Paper on Ratemaking and Utility Business Models[19] and proposes a structured transition to a level of compensation that more closely aligns with the value the resources bring to the power system, including the wholesale power system ("LMP"), the electric distribution system ("D"), and to society-at-large ("E"), which is generally the environmental benefit. Referred to herein as "LMP+D+E," this formula forms the basis of the Partnership's approach. Each element is described in more detail below:

> **LMP:** Wholesale power rates are generally calculated using the New York Independent System Operator's ("NYISO") established Location-Based Marginal Price or "LMP." LMP includes the wholesale price of energy, transmission congestion charges, and transmission line losses. Certain DER may be able to monetize additional value through wholesale markets, including potentially

[18] The Partnership recognizes that under the LMP+D concept described in the BCA Order, the variable "D" refers to a broad range of values, including externality values. In this proposal, the Partnership instead uses the variable "D" to refer to distribution system values, and separates out externality values, which are represented by "E." Case 14-M-0101, *Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision*, Order Establishing the Benefit Cost Analysis Framework (issued January 21, 2016)("BCA Order").
[19] REV Proceeding, Staff White Paper on Ratemaking and Utility Business Models (issued July 28, 2015)("Staff Track 2 White Paper").

wholesale capacity and ancillary service markets.[20] For the sake of simplicity in this proposal, LMP refers to all such wholesale values. The calculation of LMP is likely to become more precise as the utilities progress through the Distribution System Implementation Plan ("DSIP") process.[21] These enhancements should continue to move forward, and would apply to future valuations and compensation of DER.

D: DERs have the potential to bring value to the distribution system in addition to their value to the wholesale system. This could take the form of local load relief or other measures to the extent a DER's operational characteristics align with distribution system needs. Each utility's Benefit Cost Analysis ("BCA") Handbook,[22] as approved by the Commission with input from stakeholders, would serve as the basis for calculating the Value of D. This valuation will continue to evolve through the utilities' DSIP process as more operational experience is gained and more granular data becomes available.

E: The Commission's Benefit-Cost Analysis Order[23] ("BCA Order") established guidelines for valuing "externalities," social benefits that may be provided by DER but which are not captured in current markets. In the BCA Order, the Commission determined that carbon dioxide (CO_2) emissions reductions should be valued using the U.S. Environmental Protection Agency's Social Cost of Carbon minus the value of carbon set by the Regional Greenhouse Gas Initiative

[20] Additional discussions with NYISO, DPS Staff and other parties may identify opportunities to refine the wholesale market benefits.
[21] *E.g.*, REV Proceeding, Staff Proposal Distributed System Implementation Plan Guidance (issued October 15, 2015).
[22] BCA Order, p.31.
[23] *Id.*

("RGGI"), which is already included in the LMP. As the State's Clean Energy Standard progresses, the Order directs that this value transition to the market price of Renewable Energy Credits ("REC") established in that program. Projects whose compensation structure includes a value for "E" under this process, including all customers receiving net metering credits, would forego the ability to retain or sell RECs, which would be transferred to the utility. It is recommended that the Commission allow each project to receive a stable externality value for the compensation term. Fluctuating and uncertain compensation for externality value can make it more difficult for developers to secure financing, set prices for customers, or determine a project's economic viability.

2. *On-Site NEM*[24]

The Solar Progress Partnership proposes to retain NEM at the full retail rate for all customers who install NEM-eligible DER on-site prior to the implementation of any transition approaches, as described below.

3. *Community Distributed Generation and Remote Net Metering*

A. Retaining NEM at the Full Retail Rate as a Customer-Facing Tool for CDG and GRNM

As a general matter, the Partnership agrees that, in a transition from a full retail rate credit to an LMP+D+E, there is value in retaining NEM as a simple-to-understand tool for customers for all forms of NEM. Under the Partnership's proposal, GRNM Satellites and CDG Subscribers would continue to receive a full retail credit with ability to view what their full bill would have been, as well as the credit associated with their participation in GRNM or CDG. This approach

[24] *See* n.6, *supra.*

will likely achieve higher mass market customer adoption of DER during the transition, and in the long-term.

B. Payment from the CDG or GRNM Developer to the Utility

Instead of changing the value of NEM seen by the participating customer on his or her utility bill, the Partnership proposes creating a separate Developer Payment from the CDG or GRNM Developer to the utility that would ultimately bridge the difference between the full retail rate NEM credit and the future LMP+D+E valuation. The amount that would remain between the applicable customer's full retail bill credit and LMP+D+E is the "Transitional Gap Credit," which would decline Tranche by Tranche as Developer Payments increase according to the "Laddering" approach outlined below. These Developer Payments would be designed to change with any change in applicable utility delivery rate, keeping the Transitional Gap Credit and rate impact for each project constant. If the non-supply/commodity components of utility rates increase or decrease (*e.g.*, changes in delivery rates or surcharges), the Developer Payment will have a corresponding increase or decrease. Utilities would apply the Developer Payments to reduce or offset the Shifted Revenue Requirement that would otherwise be shifted to Non-Participating Customers. If a Developer incurs and does not cure a default in payment, the relevant project would lose its Tranche status. To reduce this risk of non-payment, utilities could request a letter of credit or other financial assurance based on financial exposure, consistent with utility commercial practices.

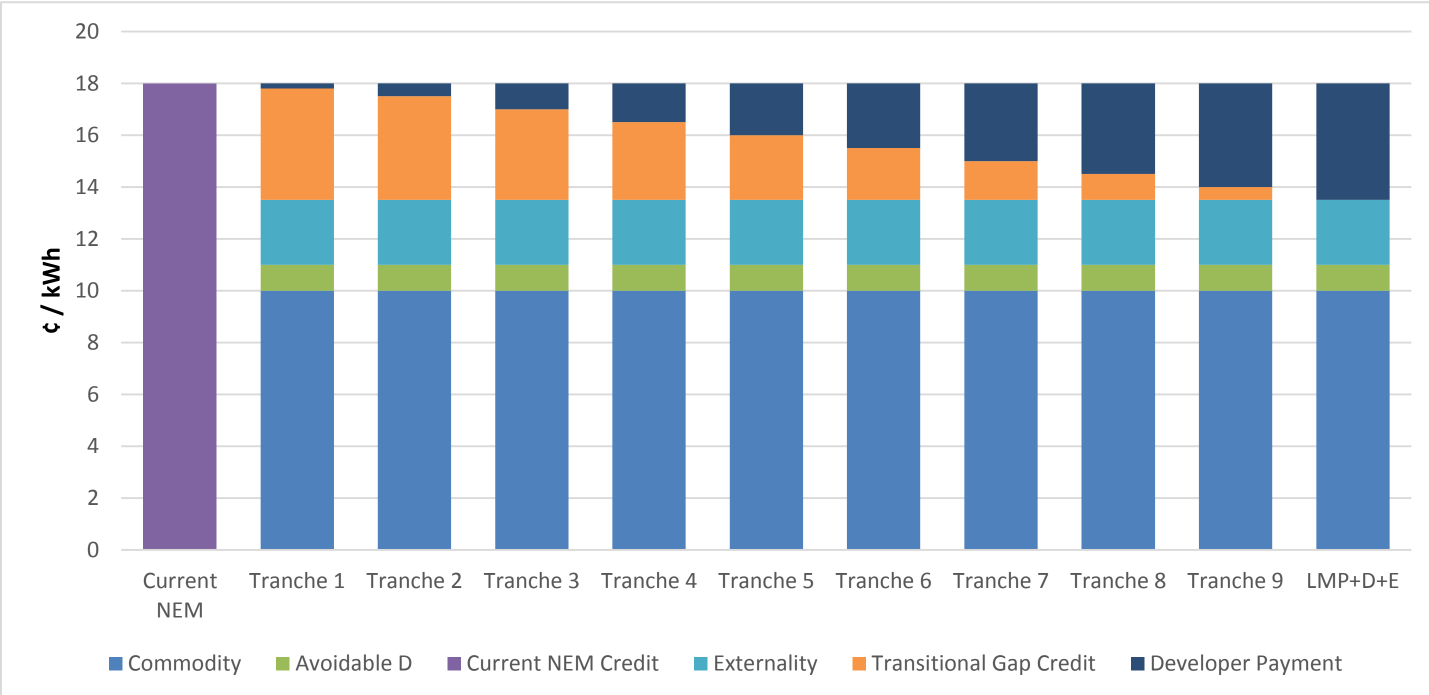
C. Laddering Approach

The Partnership's proposed Laddering approach provides for CDG and GRNM resources to receive higher levels of total compensation (*i.e.,* lower Developer Payments) based on their value to the distribution grid and their place in the utilities' respective interconnection queues. This approach would promote the early development of resources within Tranches that would gradually fill, and step down compensation (*i.e.*, step up developer payments) over time. Developer payments, D, and E would remain stable for the project's compensation term to allow for project financing. A certain number of MW of CDG (to be determined by the Commission) would be compensated at a level just below the full retail bill credit, requiring a Developer Payment set at a reduced level relative to later Tranches.

The primary purpose of this first payment is to solidify the developer and utility relationship and allow for accounting and billing mechanisms to be established. As CDG penetration increases, projects would be assigned to subsequent Tranches and Developer Payments to utilities would increase until LMP+D+E is reached. During the transition, the Shifted Revenue Requirement associated with the Transitional Gap Credit and "E" (until such time as the CES provides an alternative approach) would be reallocated to all customers via a non-bypassable surcharge mechanism.[25] The chart below illustrates how the proposed Laddering structure would transition from a full retail credit to an LMP+D+E valuation.

[25] This approach is appropriate because all customers benefit from societal benefits generated by an eligible project.

Chart 2: Illustration of Laddered Tranches in Transition to LMP+D+E



Under this model, each Tranche would represent a pre-established number of MW of eligible capacity. In adopting this approach, the Commission could balance public policy objectives with the total projected customer bill impacts to establish the size and pricing terms of each Tranche. The Partnership suggests that the Commission would determine, based on further input from interested stakeholders, the size of the Tranches, their pricing terms and the overall acceptable level of increase in the unit cost of electricity.[26] The final Tranche would represent the steady state for valuing CDG going forward.

If desired, Ladders could be developed to provide separate opportunities for GRNM and CDG projects. GRNM projects would be laddered using a compensation structure tied to the

[26] During this process, parties would be provided an opportunity to present further analysis concerning how the sizing of Tranches would affect customer bills.

utility delivery rate on the account where the solar panels are located. The Solar Parties propose that the first Tranche of GRNM resources should receive compensation at the full retail rate with no Developer Payments for 25 years, as per Commission Order.[27] The Utilities propose that all GRNM customers be subject to developer payments consistent with the treatment of CDG and transition to an LMP+D+E compensation on the same timeline as CDG projects. The Commission could consider balancing the participation of GRNM and CDG resources such that opportunity exists for both types of resources to participate. To the extent that GRNM projects are assigned to multiple Tranches, they could be assigned based on the date the project is accepted into the NY-Sun incentive queue.

CDG projects would be assigned a specific compensation level by each utility. Utilities would rank-order circuits on their distribution systems where CDG projects have potential to provide the greatest potential system benefits, based on criteria defined by the utility. CDG projects with such potential benefits would receive priority in their Tranche assignments and interconnection. Subsequent projects would be assigned to Tranches based on interconnection application queue position until the final Tranche (valued at LMP+D+E) is reached. At that point, any subsequent CDG projects would be assigned to the final Tranche with LMP+D+E compensation, with no limit to the amount of projects that can participate in that final Tranche.

Utilities would notify all developers of their provisional queue position soon after program initiation, at which point developers would have 30 days to notify the utility as to their intent to remain in the queue or withdraw. The compensation level for each project would be established when the project is provided an upgrade cost estimate at the conclusion of Step 4 of the current New York Standardized Interconnection Requirements ("SIR") *Application Process*

[27] RNM Order, p.9.

Steps for Systems above 50 kW up to 5 MW.[28] This compensation level assignment, to the extent practicable, takes account of any projects that have already dropped out of the queue, by assigning the highest available compensation assignment to each project. Once the final compensation assignment is made, projects would not be eligible to switch compensation Tranches.

The Partnership's recommended Collaborative would propose a methodology to reallocate the potential rate impact/"area under the curve" associated with the unused Tranches of projects that do not proceed and/or enter commercial operation or otherwise lose their eligibility for a compensation Tranche. The methodology could consider both the anticipated rate impact of the projects that do not proceed, the actual and anticipated output from active projects, and which compensation levels have the ability to support project commercial viability. The methodology could seek to reallocate any unused capacity in a way that attracts additional CDG projects in a cost-effective manner, and with consideration of potential market consequences.

IV. Managing the Interconnection Queue for CDG and GRNM

Utilities would manage their interconnection queue in such a way that:

- Provides a mechanism for projects likely to provide the most system value to proceed first and receive the highest transitional values;
- Provides timely and accurate interconnection cost and transitional compensation value information to developers to allow informed judgments on whether to proceed; and

[28] SIR Order, *I*. Exhibit A. pp. 9-12.

- Provides a mechanism to quickly and efficiently sort through projects in the queue, move viable projects forward in a timely manner, and encourage attrition of non-viable projects from the queue.

To the extent that a queue of projects is simultaneously awaiting preliminary estimates for the interconnection costs, utilities would attempt to prioritize GRNM projects with monetary crediting; CDG projects and RNM projects with volumetric crediting that have potential locational value, as determined by the utility; and then other CDG projects and RNM projects with volumetric crediting by the date of interconnection request.

For each project, utilities would communicate to each Developer what Tranche they are in and what the project's preliminary interconnection cost is at the conclusion of Step 4 of the current SIR *Application Process Steps for Systems above 50 kW up to 5 MW* .[29]

The Partnership's recommended Collaborative would develop criteria for projects to maintain their eligibility for Tranches including specific timeframes for accepting their Tranche position and other development milestones such as completion of construction. The Collaborative could also consider other elements such as asking the Developer for a non-refundable deposit (based on a percentage of the estimated interconnection costs), as well as options to deploy any forfeited deposits, such as investment in distribution infrastructure that would facilitate DER.

Moreover, the Partnership suggests that the Interconnection Technical Working Group[30] consider the issue of improved queue management, including the consideration of circuit-level interconnection studies for groups of multiple projects, in order to help utilities quickly and

[29] *Id.*
[30] *Id.*, p.14.

efficiently process the large volume of interconnection applications. In any case, consideration should be given to the volume of projects in the queue, and the Commission may also wish to consider a different near-term versus long-term process that recognizes the size of the queue may change over time.

V. Transition Period Approaches

The Partnership continues to discuss approaches to establishing a transition period that would gradually move to a LMP+D+E model for all NEM-eligible DER. As a general matter, the Partnership agrees that customers should have a reasonable and known period of compensation that transitions to the steady-state LMP+D+E. This certainty in compensation for individual installations and customers is necessary for an efficient and orderly transition to LMP+D+E.

The Partnership proposes that the Commission establish January 1, 2020 as the default "Phase 2 Initiation Date" upon which On-Site NEM for on-site DER installations would begin to transition to LMP+D+E, as described below. Under this proposal, the Commission would monitor the MW installations and the associated revenue requirement shift associated with On-Site NEM and consider establishing an orderly "circuit breaker" mechanism should the pace of On-Site NEM installations result in bill impacts that merit action prior to the default date. The Utilities will file comments that provide a specific proposal regarding the circuit breaker. After the Phase 2 Initiation Date, On-Site NEM systems will receive a new level of compensation for net-exports. On-Site generation which does not result in net energy exports will be treated like load reduction from the perspective of the customer's bill. The Solar Parties and the Utilities have proposed alternative options for setting the compensation rate for those net exports during the transition period.

The Solar Parties propose that bill credits associated with net exports of On-Site NEM resources would begin to decline in "Blocks," with each block accommodating a certain amount of MW of installed On-Site NEM systems. After the Phase 2 Initiation date, the next Block of installed resources (Group A) would be credited at a rate equal to LMP+D+E plus 80 percent of the difference between LMP+D+E and the full retail bill credit. Using the above formula, for each subsequent Block, the compensated difference between LMP+D+E and the full retail bill credit will decline by 20 percentage points (*i.e.*, to 60 percent for Group B; 40 percent for Group C; and 20 percent for Group D). At the end of the ramp down, (*i.e.*, Group E and all future installations), the compensation rate will be LMP+D+E.

Alternatively, the Utilities propose that following the Phase 2 Initiation Date, customers seeking to install NEM-eligible DER on-site would be subject to a three-year ramp-down to full LMP+D+E. In the first year following the Phase 2 Initiation Date, customers who install NEM-eligible DER would receive LMP+D+E plus 75 percent of any positive difference between full retail net metering and LMP+D+E. In the second year, customers who install NEM-eligible DER would receive 50 percent of the difference. In the third year, customers installing NEM-eligible DER would receive 25 percent of the difference. In year 4, all installations will receive LMP+D+E. To the extent this transition does not proceed effectively, the Commission could take action to adjust course.

The Partnership offers the following joint approach to transitioning to LMP+D+E. Customers or Developers who qualified for and received NEM bill credits or Transitional Gap

Credits at an amount higher than LMP+D+E would continue to receive their designated NEM compensation rate for a set period which would begin in the year of installation, the “Designated Compensation Period,” coupled with a gradual step down of compensation over a second period, the “Transition Period.” In sum, the Designated Compensation Period and the Transition Period could extend 15 to 25 years from the year of installation.

This Designated Compensation Period and Transition Period would also be applied to the Tranche compensation levels for GRNM and CDG resources, which would transition to LMP+D+E over time.

All NEM participating customers would have the option, at any time, to make a one-time election to switch their compensation rate to LMP+D+E.

VI. Other Matters

1. Smart Home Energy Rate

The Partnership builds on the “Smart Home Rate” proposed in Staff’s REV Track Two Whitepaper to suggest that the specifics of a smart home rate would be determined through the REV proceeding and, as appropriate, via individual utility rate proceedings.[31] The Partnership agrees that the development of an optional smart home rate or program is an important element of the REV process, and could provide significant value to helping customers make the most efficient use of their NEM participation, particularly as more granularity is developed in the calculation of the elements of LMP+D+E.

[31] Staff Track 2 White Paper, pp. 101-102.

2. Customer Education

The Partnership agrees that customer education and engagement will be critical to REV's success and the continued and cost-effective adoption of DER in New York. The Partnership would collaborate on future customer education plans as any changes to NEM are developed. The Partnership supports the use of modern and cost-effective means of allowing customers to compare various energy management options, including possible online bill calculators.

3. Advanced Metering

As utilities and third parties seek to provide expanded energy management options to their customers and better integrate DER into the power system, information regarding the time-specific use and export of energy will become increasingly important. It is the intent of the Partnership to seek actual data where possible and practical either through utility or third-party providers. Where neither is possible, practical or cost-effective, the data may be provided by sampling the actual usage and generation of solar customers who are representative of the class of solar customers.

4. Request for Rehearing

To the extent the issues raised in this proposal are satisfactorily resolved along the lines discussed herein, the Utilities would withdraw their petition for rehearing of the Commission's *Order Establishing Interim Ceilings on the Interconnection of Net Metered Generation*.[32]

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[32] Case 15-E-0407, *Petition for Rehearing and Clarification of Order Establishing Interim Ceilings on the Interconnection of Net Metered Generation*, Petition of Orange and Rockland Utilities, Inc., Consolidated Edison Company of New York, Inc., Central Hudson Gas & Electric, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation for Rehearing (filed November 16, 2015).

VII. Conclusion

The Solar Progress Partnership appreciates the opportunity to submit these comments and respectfully urges other stakeholders, Staff and the Commission to consider the recommendations herein.

Respectfully submitted,

CONSOLIDATED EDISON COMPANY OF NEW YORK, INC. and ORANGE AND ROCKLAND UTILITIES, INC.

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