

Paul A. Colbert
Associate General Counsel
Regulatory Affairs



August 31, 2015

Honorable Kathleen Burgess, Secretary
New York State Public Service Commission
3 Empire State Plaza, 19th Floor
Albany, New York 12223

Re: Case 15-E-0082 - *Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions for Implementing a Community Net Metering Program*, regarding Central Hudson Gas & Electric Community Distributed Generation Zones

Dear Ms. Burgess,

On July 17, 2015, the Public Service Commission issued an Order Establishing a Community Distributed Generation Program and Making Other Findings. The program will be established in two phases. This letter is in compliance with Phase 1 of the program, which requires the Utilities to focus on locational benefits of Community Distributed Generation. The Order requires Central Hudson Gas & Electric (“Central Hudson” or the “Company”) to “file, within 45 days of the date of [the] Order, maps identifying Community Distributed Generation Zones in conformance with the discussion in the body of this Order.”¹ The zones must include at least 40% of a utility’s service territory. Phase 2 will begin on May 1, 2016, and will be open to the utility’s entire service territory.

As an alternative to identifying specific zones, Central Hudson proposes to open Community DG to its entire service territory during Phase 1 for the following reasons:

- Central Hudson has previously identified opportunity zones for NYSERDA’s PON 3082 program, NY Prize initiative, and the Demand Response Demonstration Project (also “Non-Wires Alternative”)². Where applicable, these zones have included all identified

¹ 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 (July 17, 2015).

² Case 14-E-0318 – *Proceeding on the Motion of the Commission as to the Rates, Charges, Rules and Regulations of Central Hudson Gas & Electric Corporation for Electric Service*, Central Hudson’s Report Regarding the REV Collaborative and Developing Demonstration Projects (May 1, 2015).

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constrained areas within our service territory that exhibited potential to defer capital investment, and these areas only represented 14% - 16% of the Company's customers in each case. Therefore, locational benefits are not available for 40% of the Company's service territory.

- Solar photovoltaic generation currently encompasses over 99% of net metered generation in Central Hudson's service territory. Given the intermittency of the resource and weak correlation with peak loads that occur in the late afternoon and early evening, the potential for capital deferral with these types of resources is minimal, if at all.
- The limited areas requiring growth-related distribution investment may still present interconnection challenges. For example, the land available for a 2 MW community solar facility on a constrained distribution feeder may be at the end of a single phase line, leading to thermal and power quality violations and high interconnection costs. The Reforming the Energy Vision's Market Design and Platform Technology Working Groups recommended the development of a Distribution Planning Working Group and hosting capacity methodologies to develop methodologies and guidelines prior to implementation.³

Because Community Distributed Generation is open to 100% of its service territory, Central Hudson developed a map outlining its electric service territory. This "Community Distributed Generation Zone" is included in pdf form as Attachment 1, and will be posted on our website in this format so customers, sponsors, and developers can interact with the file (www.centralhudson.com/dg). The ARC-GIS shape files will be mailed on a separate disk to Ms. Kelly Connell of DPS Staff, to be shared with NYSERDA.

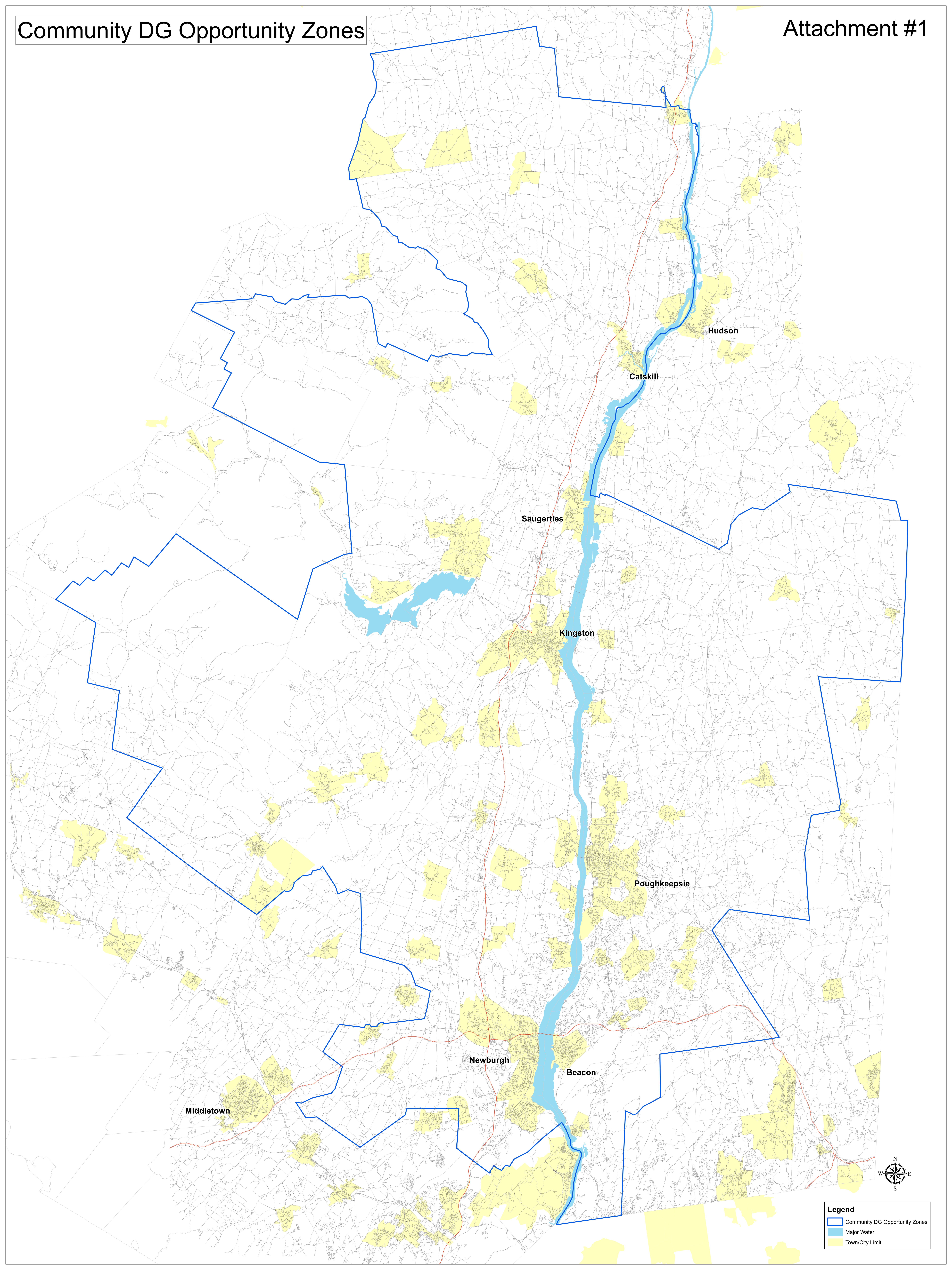
Please contact the undersigned at (845)486-5831 or pcolbert@cenhud.com with any questions regarding this matter.

Respectfully submitted,



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³ Report of the Market Design and Platform Technology Working Groups (August 17, 2015).



Legend

- Community DG Opportunity Zones
- Major Water
- Town/City Limit

