June 9, 2017

VIA ELECTRONIC FILING

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

Re: Case 14-M-0101 – Proceeding on Motion of the Commission in Regard to Reforming the Energy Vision
Case 16-M-0429 – In the Matter of Earnings Adjustment Mechanism and Scorecard Reforms Supporting the Commission's Reforming the Energy Vision

Dear Secretary Burgess:

Pace Energy and Climate Center, Alliance for Clean Energy New York, Association for Energy Affordability, Citizens Campaign for the Environment, Citizens for Local Power, Clean Coalition, Environmental Advocates of New York, Environmental Defense Fund, Interstate Renewable Energy Council, Natural Resources Defense Council, and The Nature Conservancy, filing jointly as the Clean Energy Organizations Collaborative (CEOC),[1] submit this letter in response to the Department of Public Service Staff's (Staff) May 5, 2017 Status Report on Scorecard Metrics Collaborative Process (the "Report"). In the Report, Staff proposes to use individual EAM collaborative meetings and rate cases to develop scorecard metrics.[2] While CEOC members understand that a collaborative requires time and resources of all parties involved, we believe Staff's request would pose a significant burden on public interest and other stakeholders. Based on the foregoing, and as further explained below, we respectfully request that Staff institute a collaborative process to develop scorecard metrics, as required by the Commission's Track Two Order.[3]

The Track Two Order requires Staff to "initiate a collaborative process and … issue a progress report to the Commission by May 1, 2017."[4] The Order further states that, "considering

[1] The Pace Energy and Climate Center and the Alliance for Clean Energy New York co-convene an independent group called the Clean Energy Organizations Collaborative on REV-related matters. This collaborative is made up of national and state-based environmental organizations, clean energy companies and organizations, renewable energy industry trade associations, consumer groups, energy efficiency providers, and academic centers. CEOC seeks to ensure environmental outcomes that are consistent with New York's overall pollution reduction goals; break down existing barriers to clean energy services; and inform its members on market and rate design issues.
[2] Report at 2.
[3] Order Adopting a Ratemaking and Utility Revenue Model Policy Framework ("Track Two Order") (May 19, 2016).
[4] *Id* at 155.

the wide range of scorecards put forward by Staff, and the need for further specificity in the actual metrics to be used, this subject should be developed further through a collaborative effort of the parties."[5] In contrast, Staff's Report proposes to "use the individual EAM collaborative meetings and rate case processes as the venue to also develop utility scorecard metrics for each utility and, thus, satisfy the Commission's directive to initiate a scorecard collaborative process."[6]

On its face, the Track Two Order indicates that the Commission intended a single collaborative process on the issue of scorecard metrics. In contrast, the Commission expressly stated that Earnings Adjustment Mechanisms (EAMs) should be adopted through individual utility rate cases, when possible.[7] As the Commission noted, scorecards are to be designed for instances in which "reliable metrics have not yet been developed."[8] The Commission also noted that the scorecard metric categories proposed by Staff and adopted in the Order are "a starting point," and may either be reduced if they are impractical or unnecessary, or added upon if parties propose other categories.[9] With all of the above in mind, the Commission clearly intended a uniform, joint collaborative process on the issue of scorecard metrics.

Given the wide range of metrics, the fact that the list of metrics is not final and is subject to change, and the fact that there is a need to develop uniform specifications for each, a joint collaborative process is also the most reasonable approach in practical terms. Intervening in individual utility proceedings is a time- and resource-intensive process and poses a significant burden on public interest and other stakeholders. Many of the scorecard metrics are intended to measure key REV and State Energy Plan outcomes and are linked to important potential future EAMs, such as affordability, carbon reduction, DER penetration, and market development. Without a uniform, coordinated approach to developing scorecard metrics, many stakeholders will be unable to meaningfully engage in this important process.

CEOC is mindful that a collaborative process requires time and resources. As such, if Staff is unable to initiate a collaborative at this time due to bandwidth constraints, we propose that the collaborative begin later in 2017 or as early as practicable based on Staff's resources.

We appreciate this opportunity to respond to Staff's Report and look forward to working with Staff and other stakeholders to develop the scorecard metrics.

Respectfully submitted,

[Signatures to follow]

[5] *Id* at 95.
[6] Report at 2.
[7] Track Two Order at 60.
[8] *Id* at 93.
[9] *Id* at 95.

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