February 7, 2022
VIA ELECTRONIC MAIL

Hon. Michelle L. Phillips
Secretary to the Commission
NYS Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

RE: Case 20-E-0543 – Petition of Interconnection Policy Working Group Seeking Cost-Sharing Amendment to the New York State Standardized Interconnection Requirements

Case 19-E-0566 – Joint Petition for Certain Amendments to the New York State Standardized Interconnection Requirements (SIR) for New Distributed Generators and Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems

The New York Solar Energy Industries Association (NYSEIA) submits the below comments in response to Joint Utilities Responsive Filing - Proposed Cost Reimbursement Mechanism October 28, 2021 and Joint Utilities Responsive Filing of Proposed Hosting Capacity Map Adjustments October 28, 2021

Background

NYSEIA appreciates the efforts and diligence of Department Staff, the New York Joint Utilities, and industry stakeholders to file a revised tariff in response to the Cost Sharing 2.0 Order. The Cost Sharing 2.0 mechanism represents a vital tool for continued community distributed generation development in New York. As NYSEIA will share in comments in Docket CASE 21-E-0629 regarding the 10 GW Distributed Solar Roadmap, we support continued review and improvements to cost sharing and cost allocation mechanisms in 2022. Specifically, it would be beneficial to include other utility equipment components in the MVD process such as subtransmission circuits or upgrades to locations with high distributed energy resource (DER) market interest and multi-value attributes.

As outlined below, NYSEIA members believe efficient data transparency is necessary to drive DER and public investment to the most high priority and beneficial geographic locations. NYSEIA supports data transparency/insight and creation of metrics as important tools to attain the goals of New York State. NYSEIA has previously provided a comprehensive framework to support this known as the "Hosting Capacity Dashboard".

NYSEIA members have raised some clarifying improvements to the language included in the Petition of the IPWG Members Seeking Approval of the Cost-Sharing 2.0 Amendment to the New York State Standardized Interconnection Requirements for New Distributed Generators and/or Energy Storage

Systems 5MW or Less Connected in Parallel with Utility Distribution Systems filed on October 28, 2021 ("Petition") to ensure there is consistent implementation amongst members of the New York Joint Utilities.

Comments and Recommendations

I. Recommendation: The NY Joint Utilities should include an approximate incremental hosting capacity level to be reviewed as part of the MVD study to prevent oversubscription to an MVD Study

The petition describes that utility notice for a potential multi-value distribution project will *"...describe the baseline installation to be performed and corresponding design/construction plan for the proposed CIP project."* NYSEIA believes that stronger language in the tariff, that adheres to the intent of the Commission Order, is important to maintain to support the viability of the MVD Study Process. Specifically, the Commission Order says *"To facilitate the process, each of the Joint Utilities would post a list of the substations scheduled for major upgrades on their respective system data portals and include an estimate of the funding required to accommodate additional DER interconnections. Any pending applications at a listed location would automatically be placed into the MVD project process. The posting would identify the utility's cost estimate for upgrading substations to create additional hosting capacity and a deadline for additional DG and/or ESS projects to submit interconnection applications at those substations. After the established deadline, the utility would determine a cost per kilowatt (kW) for the upgrade at each relevant substation."* The Commission also makes reference that "...*hosting capacity maps should show a planned upgrade's location, its anticipated impact in terms of capacity availability, the inservice date of the upgrade, and the known or estimated costs of that capacity. Such an approach is likely to encourage more MVD projects…"* NYSEIA highlights that the hosting capacity maps or postings related to MVD Projects should include sufficient information to allow interconnection applicants to understand the estimated additional capacity to be reviewed as part of the MVD study[1]. While the MVD process should seek to attract applicants to these areas there should be sufficient information for applicants to understand the possible hosting capacity to-be-studied to balance the risk of preventing unnecessary expenditures of resources in land acquisition and CESIR and MVD study application fees.

The following language would not prohibit projects from making an election to remain in the queue in the event a Participating Project withdraws:

> *The utility notice will describe the baseline installation to be performed and corresponding design/construction plan, in addition to the scope and estimated hosting capacity enabled of the proposed incremental upgrade to be reviewed in an MVD Study for the proposed CIP project.*

II. Recommendation: The Commission should establish consistent guidelines for data transparency

Data transparency is critical to enable the success of this newly revised cost sharing program and there is concern about perpetuating a lack of clarity regarding data or process when the cost sharing 2.0 mechanism goes into effect. NYSEIA members emphasize that there needs to be clear, standardized, timely and consistent information and data sharing in order to drive investments to areas where qualifying

[1] For example, utilities generally use standardized sizing for transformer banks and may be limited in sizing additional equipment based on substation profile or voltage characteristics. This type of limitation is important to communicate to reduce an oversubscription for the MVD study.

upgrades are being identified. This posting should include proactive or cost-shared upgrades initiated as part of Cost Sharing 1.0 to maximize the use of existing equipment where hosting capacity is available. The monthly utility cost sharing report must include:

- Station and transformer/circuit identifier
- Qualifying Upgrade Deadline[2]
- Qualifying Upgrade Estimate or Actual Cost if applicable
- Total Enabled Hosting Capacity (kW-AC)
- Subscribed Hosting Capacity (kW-AC)
- Qualifying Upgrade Amount paid
- Status including anticipated or actual in-service date
- Date report was last refreshed

Lastly, while not addressed in the petition, the utilities should include in the monthly posting the current spending against the annual utility cap.

III. Recommendation: The Commission should clarify start date implementation rules to allow the utilities to identify cost sharing eligibility and issue invoices

The IPWG Petition submitted on October 28, 2021 included the following applicability rules in the petition:

- For projects prior to the completion of the Coordinated Electric System Interconnection Review ("CESIR"), Cost Sharing 2.0 shall apply.
- For projects in CESIR, Cost Sharing 2.0 shall apply. If there are fifteen (15) Business Days or less of time left in the CESIR timeline, the utility has an additional fifteen (15) Business Days to integrate the new cost-sharing mechanism into the CESIR.
- For projects with the CESIR completed but prior to the applicant's payment of the initial 25% payment, the applicant may request an evaluation of the completed CESIR to determine if items identified in the completed CESIR would be subject to Cost-Sharing 2.0. For those projects where the applicant has made the initial 25% payment, the applicant may also request a review for applicability of Cost Sharing 2.0.
- Projects that have made full payment prior to the Interim Cost-Sharing Order are not eligible to opt in to Cost-Sharing 2.0.

As the Commission is aware, there is an accumulating queue of projects that are subject to the interim cost sharing rules established by Commission Order on March 18, 2021. The Petition describes transition rules whereby projects will be required to make payments that were otherwise suspended pursuant to interim cost sharing rules in order to remain in the queue. To date, there have been discrepancies between utilities in how cost sharing amounts have been communicated and whether invoices have been rendered. In order to better manage the timelines associated with payments, NYSEIA respectfully requests that the following clarification to the cost sharing 2.0 queue management "start date":

> *The Joint Utilities shall update their respective Qualifying Upgrade Lists fifteen (15) Business Days after the issuance of an order by the Commission authorizing the SIR*

[2] The Qualifying Upgrade Deadline is defined as twelve (12) months after the state date of the Cost Sharing 2.0. Thereafter the utilities should identify deadline of any newly identified Qualifying Upgrades for applicants to understand whether the 12 month window has expired for the triggering applicant to withdraw

incorporation <u>and issue Qualifying Upgrade Invoices and 25% Payment Invoices, if not previously rendered, fifteen (15) Business Days thereafter</u> for the purpose of establishing the "start date" of the queue management process.

IV. Recommendation: The Commission should clarify that the proposed reimbursement mechanism filed by the New York Joint Utilities be expanded to projects that elected to make 100% payment pursuant to original Cost Sharing rules or the Interim Order

NYSEIA notes a necessary improvement to language included in the Petition dated October 28, 2021 and the Joint Utilities' proposed reimbursement mechanism as filed on October 28, 2021. NYSEIA recommends that the reconciliation practice proposed by the New York Joint Utilities be applicable to projects that elected to make a 100% payment pursuant to the Interim Cost-Sharing Order.

The Petition suggests that projects that paid 100% of a Qualifying Upgrade during the period of interim cost-sharing should be subject to Cost Sharing 1.0 rules established in the January 2017 Order.

> *In cases where a project received a pro rata invoice under the Interim Cost-Sharing Order but elected to pay the full amount of the upgrade rather than wait for other projects to pay their pro rata shares to reach 100% funding of a utility asset, the IPWG Members recommend that such projects be treated under the cost-sharing rules established in the January 2017 Order, where the contributions from later paying projects will be reimbursed to the first mover upon reconciliation.*

The instances of this scenario occurring may be limited, but NYSEIA believes it is unfair to discourage more immediate cost-sharing (before the reconciliation period) when additional projects make payments associated with the Qualifying Upgrades. Therefore NYSEIA wishes to clarify that the reconciliation/reimbursement mechanism proposed by the New York Joint Utilities in the Joint Utilities's Responsive Filing to Commission's Directive to File a Proposed Reimbursement Mechanism is also applicable to Qualifying Upgrades identified as part of the <u>original</u> cost sharing or <u>interim</u> cost sharing rules whereby the utilities will initiate refunds based on estimates when subsequent projects make payments.

> *If any Triggering Project and/or Sharing Project(s) pays more than their pro rata share in order to meet minimum thresholds, these applicants will receive refunds in order to reduce their contributions to their pro rata share when subsequent Sharing Projects contribute to Qualifying Upgrade costs….the utility will reimburse Sharing Projects' estimated costs to the Triggering Project and/or Sharing Project(s) within sixty (60) Business Days. Once any applicant has made 100% of their required payment, the applicant will forfeit any reimbursement for funds applied to a Qualifying Upgrade if that project subsequently withdraws the project, unless another Sharing Project is added to the queue and has made 100% of their payment. When the utility costs for all participating projects in a substation QualifyingUpgrade are reconciled, both the Triggering Project and any Sharing Projects will be billed or refunded by the utility per the SIR.*

Making the reconciliation process applicable to projects that elected to make a 100% payment pursuant to the Interim Cost-Sharing Order will improve capital cost burdens currently placed on developers for a triggering project without creating any additional ratepayer risk.

V. Recommendation: The Commission should require utilities to provide rationale to invested developers rather than allowing utilities to have complete discretion to move forward with an MVD project filed by the New York Joint Utilities

NYSEIA notes a necessary improvement to language included in the Petition dated October 28, 2021 Petition of the IPWG Members Seeking Approval of the Cost-Sharing 2.0 Amendment to the New York State Standardized Interconnection Requirements. NYSEIA flags concerns on utilities' ability to have complete discretion on whether to move forward with an MVD project, without any indication whether a rationale will be shared with participating projects. In order to provide clarity and reasoning to invested developers and customers, NYSEIA respectfully requests to consider the following language to facilitate consumer protection.

> *Based on the number of DG/ESS applicants that pay the non-refundable MVD Qualifying Upgrade payment and the CIP project schedule, the utility will have the discretion to move ahead with the MVD project. If the utility determines it will not proceed with the MVD project, it will provide notice and rationale to Participating Projects within fifteen (15) Business Days of receipt of the MVD Qualifying Upgrade payment and will refund those payments via the utility cost reconciliation process per Section 1-C.*

Conclusion

NYSEIA appreciates the opportunity to provide comments on this important matter and the Commission's consideration of the above recommendations. Please contact NYSEIA Policy Manager Dhruv Patel at interconnection@nyseia.org with any questions.