



October 10, 2017

Via Electronic Filing

TO:

Honorable Kathleen H. Burgess , Secretary to the Commission
New York State Public Service Commission
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FROM:

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RE:

- Case No. 17-01276 – In the Matter of the Value of Distributed Energy Resources Working Group Regarding Value Stack
- Case No. 17-01278 – In the Matter of the Value of Distributed Energy Resources Working Group Regarding Low and Moderate Income Customers.
- Case No. 15-E-0751 – In the Matter of the Value of Distributed Energy Resources

Dear Secretary Burgess,

Please find the joint comments of the Coalition for Community Solar Access, Acadia Center, Natural Resources Defense Council, New York Solar Energy Industries Association, Pace Energy and Climate Center, Solar Energy Industries Association and Vote Solar (referred to herein as the Clean Energy Parties, “CEP”) regarding statewide interzonal crediting.

/s/ Jeff Cramer

Jeff Cramer

Executive Director

Coalition for Community Solar Access (CCSA)

Introduction

The Commission's March 9th Order on Phase One of the Value of Distributed Energy Resources ("VDER") directed staff to consider statewide interzonal crediting as a mechanism to further enable low-income participation in VDER programs and tariffs.¹ In compliance with the Commission Order, the initial scope of the Low and Moderate Income Customer ("LMI") Working Group listed interzonal crediting as a priority issue to be addressed in the group.² At the first meeting of the LMI Working Group, participants agreed that the issue of interzonal crediting was not just of potential benefit to LMI customers, but rather an issue with broader potential for all. As such, the topic of interzonal crediting was moved out of the LMI Working Group to the Value Stack Working group as an issue to be included for a "fast-track" Commission decision.

The Clean Energy Parties ("CEP") now recommend that the Commission expedite a decision on statewide interzonal crediting issue and remove the current load zone restrictions for all community distributed generation ("CDG") subscribers and allow customers located in the same utility service territory as a Phase One CDG project, regardless of load zone location, to subscribe to that Phase One CDG project.

The Commission Should Remove Load Zone Restrictions Statewide for CDG Subscribers

The July 2015 Commission Order establishing the CDG program included a requirement that CDG subscribers be located in the same utility service territory and load zone as the CDG facility.³ This requirement, which was (and still is) included in the net metering statutes (PSL §66-j), was applicable at the time when crediting under the CDG program was net metering and CDG subscribers were to receive the volumetric retail rate net metering credits. However, now with the transition to the Phase One Value Stack Tariff, the reasons for maintaining the restriction no longer exist. Primarily, the energy component of value stack is based on the Locational Based Marginal Price ("LBMP") of the CDG resource instead of the retail rate of the subscriber. And, from a practical standpoint, the load zone restrictions of PSL §66-j no longer apply.

The key benefit to removing the load zone restriction is that it expands access to more New Yorkers, which is the underlying motivation of the CDG program. It also enables flexibility for CDG project owners to maintain fully-subscribed projects and more efficiently manage customer churn over the life of the project.

¹ Case 15-E-0751 – In the Matter of the Value of Distributed Energy Resources. *Order on Net Energy Metering Transition, Phase One of Value of Distributed Energy Resources, and Related Matters*. Pages 139-140. March 9, 2017.

² Case 15-E-0751 – In the Matter of the Value of Distributed Energy Resources. *Notice of Initial Scopes for Phase Two Working Groups*. July 28, 2017.

³ 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 Established a Community Distributed Generation Program and Making Other Findings*.

The Decision to Enable Statewide Interzonal Crediting Should Be Expedited

While the principles that form the basis for expedited decisions have not been formally adopted, the majority of stakeholders have identified this issue as ripe for fast-tracking. And, this issue meets the applicable draft principles that are being discussed,⁴ including:

- Practicality – a decision on statewide interzonal crediting would not require any changes to the definitions or calculations of the value stack components and it has majority stakeholder support.
- Ripeness – statewide interzonal crediting has been under discussion and comments on the record for CDG since before the July 2015 Order enabling CDG.

The majority of stakeholders in both the LMI and Value Stack Working Groups support eliminating the load zone restriction, although it is not unanimous. New York City filed its remarks on interzonal crediting and notes that it has no objection to interzonal crediting for solar PV in other service territories or for other technologies anywhere in the state (including New York City), but proposes delaying interzonal crediting for ConEd's service territory until there is resolution on the administrative barriers between NYPA and ConEd needed to enable CDG in the City.

The CEP support the City's proposal to convene a working group to assess the structural barriers to increased solar development within New York City. The CEP also support the City's request to move forward to remove the administrative barriers between NYPA and ConEd in order to enable the City to participate in CDG. These processes should take place regardless of the status of statewide interzonal crediting and should not delay a decision enabling statewide interzonal crediting.

We thank you in advance for your consideration of this issue.

Respectfully submitted,

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⁴ Case 17-01276 – In the Matter of the Value of Distributed Energy Resources Working Group Regarding Value Stack. Staff Discussion Draft, September 20, 2017 and Staff Discussion Draft V2, October 4, 2017.

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