

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 15-E-0751 - In the Matter of the Value of Distributed Energy Resources.

NOTICE SOLICITING COMMENTS

(Issued April 25, 2023)

On July 16, 2020, the Public Service Commission (Commission) issued the Order Establishing Net Metering Successor Tariff, which found that net energy metering (NEM) has successfully provided incentives for the development of clean distributed generation in New York through its simple design and effective mechanism.¹ The Commission, however, found that customers installing certain distributed generation technologies, interconnected on or after January 1, 2022, shall be charged a monthly Customer Benefit Contribution (CBC) to recover the costs for certain energy efficiency and other public policy benefit programs. The CBC charge was based on the compensation option chosen (e.g., Phase One NEM), customer class (i.e., residential, small non-demand commercial, and commercial under 750 kW), and utility service territory. To ensure that the CBC provisions are consistently applied statewide and to provide Distributed Energy Resource projects with market certainty, Department of Public Service (Department) staff has identified a need for clarification of the rules governing the Joint Utilities'

¹ Case 15-E-0751, Order Establishing Net Metering Successor Tariff (issued July 16, 2020) (NEM Successor Order).

implementation of the CBC and has drafted the attached proposals.²

PLEASE TAKE NOTICE that interested persons are invited to submit comments on the attached proposals by July 17, 2023. Comments should be submitted electronically, by going to www.dps.ny.gov, clicking on "File Search" (located under the "Commission Filings" heading), entering "15-E-0751" in the "Search by Case Number" field, and then clicking on the "Post Comments" box located at the top of the page. Those unable to file electronically may mail their comments to the Hon. Michelle L. Phillips, Secretary, New York State Public Service Commission, Three Empire State Plaza, Albany, New York, 12223-1350. Comments received will be posted to the Department's website and will be part of the case record.

Questions regarding this Notice should be directed to Sandra Sweet at Sandra.Sweet@dps.ny.gov.

(SIGNED)

MICHELLE L. PHILLIPS
Secretary

² The Joint Utilities include 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 Corporation.

Department of Public Service Staff Proposal

On July 16, 2020, the Public Service Commission (Commission) issued the Order Establishing Net Metering Successor Tariff, which found that net energy metering (NEM) has successfully provided incentives for the development of clean distributed generation in New York through its simple design and effective mechanism.³ The Commission, however, found that customers installing certain distributed generation technologies, interconnected on or after January 1, 2022, shall be charged a monthly Customer Benefit Contribution (CBC) to recover the costs for certain energy efficiency and other public policy benefit programs. The CBC charge was based on the compensation option chosen (e.g., Phase One NEM), customer class (i.e., residential, small non-demand commercial, and commercial under 750 kW), and utility service territory.

Based on Department of Public Service staff's (DPS staff) review, it is apparent that the Joint Utilities are inconsistently applying the CBC in situations where a portion of the Distributed Energy Resource (DER) project was installed prior to the implementation of the CBC charge and subsequently underwent a new interconnection request to increase the size of the project after January 1, 2022.⁴ While some utilities are applying the CBC to the entire DER project, other utilities are applying the CBC to only the expanded portion of the project.

³ Case 15-E-0751, Order Establishing Net Metering Successor Tariff (issued July 16, 2020) (NEM Successor Order).

⁴ The Joint Utilities include 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 Corporation.

To ensure that the CBC provisions are consistently applied statewide and to provide DER projects with market certainty, DPS staff proposes that: (1) for DERs that expand their project size after September 1, 2023, the entire project should be subject to the CBC (if a utility is not already doing so); (2) the Joint Utilities' electric tariffs should be amended to specify how the CBC is applied for DER systems expanded after September 1, 2023; and (3) the Joint Utilities should be required to include the calculation of the CBC charge (i.e., the stated rate multiplied by the customer's specific system size) on the utility bill.