



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

February 17, 2015

Honorable Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Empire State Plaza, Agency Building 3
Albany, New York 12223-1350

Re: CASE 14-E-0151 — Petition of Hudson Valley Clean Energy, Inc. for an Increase to the Net Metering Minimum Limitation at Central Hudson Gas & Electric Corporation

CASE 14-E-0422 — Petition of Solar Energy Industries Association, Alliance for Clean Energy New York, the Vote Solar Initiative, the Natural Resources Defense Council and The Alliance for Solar Choice to Clarify the Process for Utilities to Seek Relief from Net Metering Caps

Dear Secretary Burgess,

Erie County supports petitions for a rehearing in the above-referenced proceedings as filed on January 9, 2015. Petitioners request: (1) the New York State Public Service Commission (the "Commission") stay implementation of any revisions to the utility tariffs regarding remote net metering to allow for a public comment period on this policy change, particularly with respect to the broadening of grandfathering projects under development that would be affected by this change; and (2) the Commission pursue a technology-neutral community net metering program.

Erie County has pursued exploring renewable energy projects that were enabled by remote net metering laws, New York Public Service Law 66-j and rules established by the Commission. The Commission's abrupt policy reversal and narrow grandfathering provision impacts our ability to pursue these sustainable energy projects because the fiscal benefits that local taxpayers may derive from these projects are essentially negated. Indeed, we have determined our financial expectations would be significantly disrupted by a change in policy. Public sector customers have longer lead times due to procurement processes and as such would not meet the timeframe to secure the net metering credit value unless the provisions for monetary remote net meter crediting are extended.

We respectfully ask the Commission to stay its decision to modify remote net metering credits or at minimum, expand the grandfathering provision for monetary remote net meter crediting to allow counties, towns and villages developing such projects under grandfathered conditions time to complete them. In addition, we strongly support the petitioners' request that the Commission consider a Community Net Metering Program that is open to all technologies currently eligible for net metering in New York, such as micro-hydro, onsite wind, anaerobic digester gas, or fuel cells. A technology-neutral

approach better supports the state's energy and environmental goals as it would broaden the choices and opportunities for customers (or groups of customers) interested in pursuing shared renewable energy facilities. Communities should be empowered to take advantage of all renewable energy technologies eligible by law that best align with their unique needs and resources.

We are one of dozens of local governments in New York State that have worked to mobilize local resources to explore solar project options. Fundamental to our interest in renewable energy projects was the net metering credit value which enabled our county to see significant financial value in pursuing a project. In fact, the NYSEERDA MW Block incentives will be far too low for these projects to continue without the net metering credit value. Efforts we made were advanced in good faith based on the rules enacted and clarified by the Commission. Moreover, many other local governments in Western New York are only beginning to discover the value proposition of renewable generation sparked by the more than \$5 Billion combined commitment that Governor Andrew M. Cuomo and SolarCity have made to the region. The changes to the remote net metering credits threaten the opportunity to turn Western New York into a beacon of the State's renewable future.

We hope the Commission can continue to support counties as they explore renewable energy projects. As Governor Cuomo continues to promote and expand the NY Sun Initiative, it is apparent local governments are important partners in the expansion of renewable energy projects throughout the state.

The state must enable a stable business environment to support the increased use of renewable and distributed energy resources. As the largest public sector purchaser of electricity in our community, we offer our consultation on this and other matters as the Commission continues its efforts under the Reforming the Energy Vision Initiative, the Clean Energy Fund and related proceedings. Erie County strongly urges the Commission to act expeditiously and rule in favor of the petitioners' requests.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Mark C. Poloncarz', with a long, sweeping horizontal line extending to the right.

Mark C. Poloncarz
Erie County Executive

MCP/ew

cc: Maria Whyte, Commissioner of Environment and Planning
John Loffredo, Commissioner of Public Works
Tom Hersey, Deputy Commissioner of Environment and Planning
Eric Walker, Energy Manager