



Carol Teixeira
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January 11, 2019

Honorable Kathleen H. Burgess, Secretary
State of New York
Public Service Commission
Office of the Secretary, 19th Floor
Three Empire State Plaza
Albany, New York 12223-1350

RE: Case 15-E-0751 – In the Matter of the Value of Distributed Energy Resources (VDER)

Dear Secretary Burgess:

The enclosed tariff amendments, issued by Niagara Mohawk Power Corporation d/b/a National Grid (“Company”), are being transmitted for filing in compliance with the December 13, 2018 *Order Implementing Hybrid Energy Storage System Tariff* issued by the New York State Public Service Commission (“Commission”) in the above case number (“Order”).

Identification of Tariff Amendments:

Second Revised Leaf No. 220.0.1
First Revised Leaf No. 220.1
Second Revised Leaf No. 220.2
Fourth Revised Leaf No. 220.4
Third Revised Leaf No. 220.7
Original Leaf No. 220.7.1
Original Leaf No. 220.7.2
Original Leaf No. 220.7.3
Second Revised Leaf No. 419

To P.S.C. No. 220 Electricity

Effective: February 1, 2019

Purpose of the Filing:

On April 19, 2018, the Commission issued the *Order Modifying the Standardized Interconnection Requirements* (“SIR Order”), which approved amendments to the SIR to facilitate the interconnection of energy storage systems paired with eligible electric generating equipment (“Hybrid Facilities”).¹ The SIR Order noted that updates to the utility tariffs would be required to govern compensation for Hybrid

¹ Cases 18-E-0018 *et. al.*, *Standardized Interconnection Requirements (SIR) for Small Distributed Generators*, Order Modifying Standardized Interconnection Requirements (issued April 19, 2018).

Facilities and directed the Joint Utilities² to file a single joint proposed model tariff for the Commission's consideration. On June 19, 2018, the Joint Utilities filed the proposed model tariff (proposed Hybrid Tariff) for Value Stack compensation for Hybrid Facilities, which included four metering options. The Order accepted the Joint Utilities' proposed Hybrid Tariff with modifications. On December 20, 2018 the Joint Utilities requested an extension until January 11, 2019 to file tariff amendments, with an effective date of January 16, 2019. On December 21, 2018, your office granted the extension until January 11, 2019 for each of the Joint Utilities to file tariff amendments, but with an effective date of February 1, 2019.

Tariff Comments:

The Company bifurcated Rule 40.2.3 into two sections: one for projects not paired with energy storage (Rule 40.2.3.1) and one for projects paired with energy storage (Rule 40.2.3.2). Rule 40.2.3.2 ensures that Hybrid Facilities receive compensation for the value they provide the utility system in compliance with the Order. In addition, the Company changed the title of Option C in the Order's Appendix A from "Storage Export Netting Configuration" to "Storage Import Netting Configuration" to more accurately reflect the technical meter relationship in that Hybrid Facility option.

The Company also revised VDER tariff leaves 220.2 and 220.4 to correct a numbering error with the roman numerals identifying the Value Stack Capacity Component calculation section and the Environmental Component calculation section. These are non-substantive changes to the tariff yet are necessary to allow customers the ability to identify compensation sections of the VDER tariff.

The Order suggests that standby rates should be applicable to Hybrid Facilities under VDER Value Stack compensation unless the projects are eligible for an exemption per the current tariff. The Company included revisions to tariff leaf 419 under Service Classification No. 7 to clarify that standby rates will apply to Hybrid Facilities for non-mass market customers.

Conclusion and Notice:

Ordering Clause No. 1 of the Order directed utilities to file tariff changes within 5 days' notice, effective January 1, 2019. The extension approval received December 21, 2018 allows for an effective date of February 1, 2019. Ordering Clause No. 2 of the Order waived the requirements of PSL §66 (12) (b) and 16 NYCRR §720-8.1 concerning newspaper publication of tariff amendments.

Enclosed Attachment 1 contains redlined tariff leaves for ease of identification as to where the changes to the above leaves have occurred. Please advise the undersigned of any action taken regarding this filing.

Respectfully submitted,

/s/ Carol Teixeira

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Enc.

² The Joint Utilities are 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.