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November 14, 2018

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

RE: Case 15-E-0751 and Case 15-E-0082, Net Metering and Value Stack Tariff

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (the “Company”) is filing with the Public Service Commission (the “Commission”) amendments to its Schedule for Electricity Service, P.S.C. No. 10 – Electricity (the “Electric Tariff”), applicable to its customers in the City of New York and the County of Westchester.

Appendix A identifies the Electric Tariff Leaves being filed to become effective on December 1, 2018.

Reason for Filing

This filing is made pursuant to the Commission’s Order on Value Stack Eligibility Expansion and Other Matters, issued and effective September 12, 2018 (the “Order”) in Cases 15-E-0751 and 15-E-0082. The Order (at p. 22) directed each utility to file tariff amendments implementing the expansion of Value Stack eligibility and interzonal crediting

Tariff Changes

Pursuant to the Order, the Company has modified the following sections of the Electric Tariff as described below.

General Rule 2 - Definitions

The Order specifies that only Electric Energy Storage systems that are stand-alone, and not paired with other technologies, qualify for expanded eligibility. The Company is adding in General Rule 2 the definition “Stand-alone Electric Energy Storage” to mean an Electric Energy Storage system that is not paired or co-located with any other generating technology on the same account. The Company amended its existing definition “Grid-connected Electric Energy Storage” to clarify that it can be an Electric Energy Storage system that is either a Stand-alone Electric Energy

Storage system or an Electric Energy Storage system paired with other generating technologies, while meeting the existing criterion that up to 25 percent of customer loads may be supported by the storage technology.

General Rule 24

The list of riders has been updated to reflect that Rider M and Rider R are available to Service Classification (“SC”) 11 Customers served under Section A.9 of Rider R.

Rider R Title, Applicability, and Definitions (Sections A – B)

The Applicability Section of Rider R has been amended to: (1) add customers served under SC 11 to the list of SCs eligible to take service under Rider R; (2) expand the applicability of Rider R to all technologies and customer types listed under Public Service Law (“PSL”) Sections 66-j and 66-l, except for micro-combined heat and power, to a maximum rated capacity of 5,000 kW; (3) expand the applicability of Rider R to biomass and tidal/ocean electric generating equipment rated up to 5,000 kW as defined in the NYSERDA Clean Energy Standard Tier 1 eligibility criteria; and (4) expand the applicability of Rider R to Stand-Alone Electric Energy Storage.¹ Rider R further states that the electric generating equipment contained in (1) – (4) above will be eligible for Value Stack Tariff compensation and that Phase One NEM is not applicable to Large On-Site or Mass Market Customers with these types of electric generating equipment.

The Company has added to Rider R a definition for Stand-alone Electric Energy Storage to state that it includes regenerative braking, whether or not paired with a separate battery, and Vehicle to Grid (“V2G”) systems.

In addition, the requirement that the rated capacity of electric generating equipment located near each other will be aggregated to determine the maximum kW limit allowed has been amended to state that such limit shall be: (1) 25 kW for residential Customers served under Grandfathered Net Metering and Phase One NEM; (2) 2,000 kW for non-residential customers served under Grandfathered Net Metering and Phase One NEM; and (3) 5,000 kW for all customers served under the Value Stack Tariff.

Rider R Application for Service (Section C)

The Company added to the Application for Service Section of Rider R that CDG Hosts required to take Standby Service and/or SC 11 must also complete Application Form G in addition to the application form set forth in the Company’s CDG Program Procedural Requirements.

¹ The provision contained in (2) has been added as Section A.8 of Rider R and the provisions contained in (3) and (4) have been added as Section A.9 of Rider R.

Rider R Requirements for Parallel Operation (Section D)

The Company has added the expanded technology Customer-generators to the table showing the equipment installation costs for which a Customer is responsible under the Requirements for Parallel Operation section of Rider R. Such costs will be the Company's actual cost for these expanded technologies.

Rider R Remote Net Metering and Community Distributed Generation (Section F)

Section F of Rider R has been amended to:

- Allow for both Remote Net Metering and Community Distributed Generation ("CDG") Host and Satellite Accounts to be located in different NYISO zones within the Company's service territory provided the Host Account is served under the Value Stack Tariff. The Company further clarified that Grandfathered Net Metering and Phase One NEM Host and Satellite Accounts must be located in the same NYISO zone in the Company's service territory.
- Change the definition of a CDG Host to allow a CDG Host to be a non-residential customer with any of the electric generating equipment eligible for Rider R, except for Stand-alone Electric Energy Storage.²
- Make a housekeeping change to remove an expired provision related to the availability of CDG prior to April 30, 2016.

Rider R Charges and Credits – Value Stack Tariff (Section H)

Section H of Rider R has been amended to state the following:

- Customer-generators specified in Section A.9 of Rider R will be billed for the net hourly consumption in a billing period pursuant to the Standby Service provisions contained in General Rule 20.
- Customer-generators, including Stand-alone Electric Energy Storage, that are not PSL Sections 66-j and 66-l eligible resources (based on generator type) will be required to receive the Value Stack Capacity Component credit under Alternative 3.
- Customers with Stand-Alone Electric Energy Storage will not be eligible to receive the Value Stack Environmental Component credit.³

² Non-residential customers are also currently not permitted to have micro-combined heat and power electric generating equipment eligible for service under Rider R, and are thus ineligible to be used as the electric generating equipment for a CDG Host.

³ The Company has also made a housekeeping change to the Environmental Component section of Section H to correct the designation of a REC to mean a Clean Energy Standard Tier 1 Renewable Energy Credit.

- A CDG project will receive a Market Transition Credit for Mass Market CDG Satellite Accounts provided that the Customer-generator is a PSL Sections 66-j or 66-l eligible resource (based on customer type, generator type, and size).
- SC 11 Customer-generators taking service under Rider R as specified in Section A.9 will receive compensation for net hourly injections based on the Value Stack Tariff rather than on the SC 11 Payment Rate for Energy and Payment Rate for Capacity, as applicable. Those SC 11 Customer-generators that do not opt to receive compensation under the Value Stack Tariff will not be served under Rider R.
- Full Service Customer-generators with Stand-alone Electric Energy Storage technology served under the Value Stack Tariff are subject to the provisions of Rider M.⁴

Rider R Restrictions (Section I)

The Company has revised the restriction that Customers served under Rider R are exempt from Standby Service to state that, with the exception of Customers with an expanded technology (based on generation type), all other Customers served under Rider R are exempt from Standby Service.

In addition, the requirement was added that Customers with an expanded technology (based on generator type) are ineligible to take service under Option C of Rider Q as described in the Restrictions under Rider Q, Rider T, and SC 11 section of this letter.

Rider R Term of Service (Section J)

As discussed in the Order, the Company has clarified that Customer-generators currently in service for greater than 25 years at the time of application under Rider R can take service under the Value Stack Tariff until such time that a successor to the Value Stack Tariff is established by the Commission.

The Company has also stated that Customers with an expanded technology (based on generator type) may elect to change their compensation mechanism between the Value Stack Tariff credit and the SC 11 Payment Rate for Energy and SC 11 Payment Rate for Capacity, as applicable, no more than once every 12 months, with 60 days' notice. This requirement is consistent with

⁴ As per the Order, a Customer with Stand-alone Electric Energy Storage technology participating under the Value Stack Tariff must be charged for consumption at the Mandatory Hourly Pricing ("MHP") rate (p. 17); however, only Full Service Customers are charged the MHP rate. Retail Access Customers with Stand-alone Electric Energy Storage technology will also be allowed to participate under the Value Stack Tariff; however, since they do not pay the Company for electric supply, there is no way to charge them the MHP rate. Through the NYISO settlement process, the Company will report the actual hourly load so the Load Serving Entity will be financially settled by the NYISO at the applicable locational based market price.

other provisions in the Electric Tariff for Customers that have the option to switch rates, such as the provision in General Rule 20.3.1 for certain Standby Service Customers.

Rider M – Day-Ahead Hourly Pricing

Rider M has been modified to allow SC 11 Customers served under Section A.9 of Rider R that purchase supply from the Company to take service under Rider M: (1) on a voluntary basis if the Customer has Stand-alone Electric Energy Storage technology with a nameplate rating or inverter capability rating that is less than or equal to 115% of the Customer's load (excluding loads directly related to or necessary to support the Electric Energy Storage system); or (2) on a mandatory basis if the Customer has Stand-alone Electric Energy Storage technology with a nameplate rating or inverter capability rating that is greater than 115% of the Customer's load (excluding loads directly related to or necessary to support the Electric Energy Storage system). A statement was added that mandatory service under Rider M under (2) will remain regardless of the Customer's maximum monthly demand.

General Rule 20 – Standby Service

General Rule 20 has been revised to state that Customers served under Section A.9 of Rider R are subject to the provisions of Standby Service under General Rule 20.

Restrictions under Rider Q, Rider T, and SC 11

Rider Q has been amended to specify that Customers served under Section A.9 of Rider R are ineligible to take service under Option C of Rider Q. Rider T has been amended to specify that Load Relief excludes export of SC 11 Customers served under Section A.9 of Rider R. This is consistent with Rider T applicability for existing Customers receiving the Value Stack Tariff for export under Rider R. The Optional Bill Credit for Export-only customers under Special Provision I of SC 11 has been revised to exclude SC 11 customers who have opted to receive Value Stack Tariff compensation under Rider R.

Option C of Rider Q, Load Relief of Rider T, and the Optional Bill Credit for Export-only under SC 11 are available for SC 11 Customers taking compensation under the existing SC 11 Payment Rate for Energy and Payment Rate for Capacity, as applicable, and are not available for Customers who have opted to receive Value Stack Tariff compensation under Rider R. This is to avoid duplicate compensation under these programs and the Value Stack Tariff.

SC 11

The Company added to SC 11 that, in lieu of the Payment Rate for Energy and Payment Rate for Capacity, as applicable, eligible Customers as specified in Section A.9 of Rider R served under SC 11 may elect to receive Value Stack Tariff compensation as described in Rider R.

The Company also specified that the contract demand charge under SC 11 shall apply only to the contract demand in excess of 10 kW for a Customer billed under a non-demand SC.

Application Form G

The Company clarified the different options for applications for service under Rider R. The Company also separated the different options under Rider R for Grandfathered Net Metering Service, Phase One Net Metering Service, and Value Stack Service under Section 4 of Application Form G.

The Company expanded the Electric Distributed Generation Equipment description options with the newly expanded technologies (i.e., Stand-alone Electric Energy Storage, Regenerative Braking, Vehicle-to-Grid, Biomass, and Tidal). The Company also expanded the different type of service(s) available to Customers with Distributed Generation in Section 3. Various possible combinations of services (i.e., Standby with SC-11 or Rider R with SC-11) are listed with individual check-boxes for clarification purposes. The facility types in Section 6 are expanded to include the newly expanded technologies.

Conclusion and Notice

As directed by Ordering Clause 1 of the Order, the Company is filing changes to the Electric Tariff to become effective on December 1, 2018.⁵

Pursuant to Ordering Clause 2 of the Order, the Commission has waived the requirements for newspaper publication.

Sincerely,

/s/ William A. Atzl, Jr.
Director
Rate Engineering Department

⁵ On October 29, 2018, the Commission granted the request of Central Hudson Gas & Electric Corporation, Con Edison, Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation to file their tariff changes on November 14, 2018 instead of the originally directed filing date of November 1, 2018.

Appendix A

PSC No. 10 - Electricity: List of Revised Tariff Leaves

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
15	4	3
20	4	3
152	4	3
177	16	13
214	1	0
216	1	0
243.13	1	0
244	8	7
244.1	0	
245	12	11
245.0.1	0	
246	7	6
246.1	2	1
247	7	6
249	6	5
249.1	10	9
249.1.1	3	2
249.2	6	5
253.1	1	0
253.3	3	2
253.3.1	1	0
253.6	1	0
254	8	7
269	6	5
382	5	4
382.1	2	1
383	6	5
383.0.1	0	
383.1	3	2
384	8	7
384.1	1	0
385	7	6
385.0.1	1	0
385.1	2	1
386	4	3
386.1	1	0
462	4	3
463	10	9
477	3	2