



Orange and Rockland Utilities, Inc.
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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:

Orange and Rockland Utilities, Inc. (the "Company" or "O&R") is filing with the Public Service Commission (the "Commission") amendments to its Schedule for Electric Service, P.S.C. No. 3 – ELECTRICITY (the "Electric Tariff").

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 Information Section No. 2

Two definitions were added to the Electric Tariff: Electric Energy Storage and Stand-alone Electric Energy Storage.¹

¹ The definition of Stand-alone Electric Energy Storage was also added to Rider N to mean that, for purposes of Rider N, it includes regenerative braking, whether or not paired with a separate battery, and Vehicle to Grid ("V2G") systems.

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General Information Section No. 9

To remove duplicate language in the Electric Tariff, specific details of Rider N electric generating equipment listed in General Information Section No. 9 that is allowed to be operated in parallel with the Company's electric distribution system have been removed. A statement was added to indicate that the electric generating equipment specified in the Applicability Section of Rider N is eligible for interconnection and net metering or Value Stack compensation, as applicable.

Rider N Applicability

The Applicability Section of Rider N has been amended to: (1) add customers served under SC No. 15 to the list of SCs eligible to take service under Rider N; (2) expand the applicability of Rider N 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 MW; (3) expand the applicability of Rider N to biomass and tidal/ocean electric generating equipment rated up to 5 MW as defined in the NYSEDA Clean Energy Standard Tier 1 eligibility criteria; and (4) expand the applicability of Rider N to Stand-alone Electric Energy Storage.² Rider N 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.

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) 5 MW for non-residential customers served under Grandfathered Net Metering and Phase One NEM; and (3) 5 MW for all customers served under the Value Stack Tariff.

Rider N Remote Net Metering and Community Distributed Generation

The Remote Net Metering and Community Distributed Generation Section of Rider N 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 N, except for Stand-alone Electric Energy Storage.³

² The provision contained in (2) has been added as paragraph (J) of the Applicability Section of Rider N and the provisions contained in (3) and (4) have been added as paragraph (K) of the Applicability Section of Rider N.

³ Non-residential customers are also currently not permitted to have micro-combined heat and power electric generating equipment eligible for service under Rider N, and are thus ineligible to be used as the electric generating equipment for a CDG Host.

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- Make a housekeeping change to remove an expired provision related to the availability of CDG on or before April 30, 2016.

Rider N Billing – Value Stack Tariff

The Billing – Value Stack Tariff Section of Rider N has been amended to state the following:

- Customer-generators specified in paragraph (K) of the Applicability Section of Rider N will be billed for the net hourly consumption in a billing period pursuant to the Standby Service provisions contained in SC No. 25.
- 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.⁴
- 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 No. 15 customer-generators taking service under Rider N as specified in paragraph (K) of the Applicability Section of Rider N will receive compensation for net hourly injections based on the Value Stack Tariff rather than on the SC No. 15 Payment Rate for Energy and will receive compensation for capacity based on the Value Stack Tariff rather than on the SC No. 15 Payment Rate for Capacity, as applicable. Those SC No. 15 customer-generators that do not opt to receive compensation under the Value Stack Tariff will not be served under N.
- Full Service customer-generators with Stand-alone Electric Energy Storage technology with a nameplate rating or inverter capability rating that is more than 115% of the customer's load (excluding loads directly related to or necessary to support the Electric Energy Storage system) served under the Value Stack Tariff are subject to the provisions of Mandatory Day-Ahead Hourly Pricing ("MDAHP") contained in General Information Section No. 15.3.⁵

⁴ The Company has also made a housekeeping change to the Environmental Component subsection of the Billing – Value Stack Tariff Section of Rider N to correct the designation of a REC to mean a Clean Energy Standard Tier 1 Renewable Energy Credit.

⁵ 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 MDAHP rate (p. 17); however, only Full Service customers are charged the MDAHP 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 MDAHP 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.

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Rider N Interconnection and Other Technical Requirements

The Company has added the expanded technology customer-generators to the list of equipment installation costs for which a customer is responsible under the Interconnection and Other Technical Requirements section of Rider N. Such costs will be the Company's actual costs for these expanded technologies.

Rider N Term of Service

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 N 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 No. 15 Payment Rate for Energy and the SC No. 15 Payment Rate for Capacity, as applicable, no more than once every 12 months, with 60 days' notice.

Riders E and F

The definitions of Load Relief for Riders E and F, Commercial System Relief Program and Distribution Load Relief Program, respectively, have been revised to exclude SC No. 15 customers who have opted to receive Value Stack Tariff compensation under Rider N. This is to avoid duplicate compensation under these programs and the Value Stack Tariff.

Rider M and General Information Section No. 15.3

Rider M – Voluntary Day Ahead Hourly Pricing has been modified to allow SC No. 15 customers served under paragraph (K) of the Applicability Section of Rider N that purchase supply from the Company to take service under Rider M 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).

General Information Section No. 15.3 – Mandatory Day-Ahead Hourly Pricing has been revised to be applicable to SC No. 15 customers served under paragraph (K) of the Applicability Section of Rider N that purchase supply from the Company 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 to indicate that such customer would be required to be billed under MDAHP regardless of the customer's level of demand.

SC No. 15

The Company added to SC No. 15 that, in lieu of the Payment Rates for Energy and Capacity, as applicable, eligible customers as specified in paragraph (K) of the Applicability Section of Rider N served under SC No. 15 may elect to receive Value Stack Tariff compensation as described in Rider N.

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SC No. 25

SC No. 25 has been revised to state that customer-generators served under paragraph (K) of the Applicability Section of Rider N are subject to the provisions of Standby Service under SC No. 25.

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, 2018.⁶

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

Any questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering

⁶ On October 29, 2018, the Commission granted the request of Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, O&R, 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

ORANGE AND ROCKLAND UTILITIES, INC.

PSC No. 3 - ELECTRICITY: List of Revised Tariff Leaves

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>	<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
12	1	0	181	11	10
15	2	1	181.1	6	5
16	4	3	185.3	1	0
117	3	2	185.4	1	0
118	5	4	185.6	3	2
119	3	2	185.6.1	1	0
156.1	4	3	185.10	1	0
157.1	4	3	185.11	0	
177	2	1	187	7	6
178	1	0	188	5	4
179	8	7	188.1	0	
180	9	8	189	7	6
180.1	10	9	218	4	3
180.2	4	3	320	1	0
180.3	3	2	371	1	0
180.4	3	2			