



Orange and Rockland Utilities, Inc.
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September 7, 2021

Honorable Michelle L. Phillips
Secretary
New York State Public Service Commission
Three Empire State Plaza, 19th Floor
Albany, New York 12223-1350

**RE: Case 15-E-0751, In the Matter of the Value of
Distributed Energy Resources**

Dear Secretary Phillips:

Orange and Rockland Utilities, Inc. (the "Company") 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"). The revised Electric Tariff leaves, which are identified in Appendix A, are filed to become effective, on not less than 10 days' notice, on September 17, 2021.

Reason for Filing

The Commission's Order Adopting Net Metering Successor Tariff Filings with Modifications issued and effective August 13, 2021, in the above-referenced proceeding (the "Order"), directed the Company to file tariff amendments to implement changes to the Net Metering program.¹ The Company hereby files revisions to the Electric Tariff in compliance with the Order.

Tariff Changes

The Company is making the following changes to Rider N – Net Metering and Value Stack Tariff for Customer-Generators of the Electric Tariff:

- The Applicability of Phase One Net Metering ("Phase One NEM") for Mass Market customers and certain Large On-Site customers² has been extended for any

¹ The Company had submitted draft tariff leaves on November 2, 2020 in compliance with the Commission's Order Establishing Net Metering Successor Tariff, issued and effective July 16, 2020, in Case 15-E-0751 (the "November 2020 Filing"). The Order approved those tariff leaves with modifications. Today's filing incorporates those modifications.

² The Phase One NEM Large On-Site customers for whom the applicability of Phase One NEM has changed are those customers with farm waste, solar, wind, fuel cell, and micro-hydroelectric electric generating equipment that has a rated capacity of 750 kW AC or lower and has an estimated annual output less than or equal to 110% of the customer's historical annual usage in kWh. For purposes of this filing, the term Large On-Site customer shall be defined as described above.

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customer that interconnects their electric generating equipment on or after January 1, 2022. In addition, language has been deleted in the Applicability Section of Rider N as to the treatment of Phase One NEM customers who interconnected on or after January 1, 2020, since these customers will continue to be Phase One NEM eligible as per the Order.

- Mass Market customers that interconnect electric generating equipment on or after January 1, 2022, will be subject to the Customer Benefit Contribution ("CBC") Charge described in the newly established Customer Benefit Contribution ("CBC") Charge section of Rider N.³
- Mass Market or Large On-Site customers served under Phase One NEM will be able to elect a different rate option from the rate options available to those customers under their service classification once per year on their selected anniversary date. This will allow a customer to take service under a non-Time of Use ("TOU") rate, a TOU rate, or a standby service rate, if available for that customer's service classification. If a customer elects a standby service rate, then the customer will receive credits under the Value Stack Tariff and will no longer be eligible for Phase One NEM.
- All Mass Market and Large On-Site Phase One NEM customers that interconnect their electric generating equipment on or after January 1, 2022 and choose a TOU rate option will receive monetary crediting. For Large On-Site Phase One NEM customers that interconnect their electric generating equipment on or after January 1, 2022, who already receive monetary crediting, the customer will carry forward to the next bill any excess monetary credit instead of carrying forward a kWh credit.
- A new section entitled Customer Benefit Contribution ("CBC") Charge has been added to Rider N. The CBC Charge will be applicable to Mass Market Phase One NEM customers with electric generation equipment that interconnects on or after January 1, 2022, that either remain on Phase One NEM or receive compensation under the Value Stack Tariff. The amount a customer is billed for the CBC will be determined for each billing period by multiplying the CBC Charge by the nameplate capacity rating in kW DC of the customer's electric generating equipment. For customers with more than one electric generating technology for which the CBC is applicable, the CBC Charge will be assessed separately based on the nameplate capacity rating of each technology.⁴
- The CBC Charges will be set forth on the Statement of Customer Benefit Contribution which will be filed annually at least 15 days prior to an effective date of January 1.⁵

³ The CBC Charge is not applicable to Large On-Site customers who interconnect their electric generating equipment on or after January 1, 2022. Additionally, the CBC Charge shall not be applicable to subscribers to Community Distributed Generation projects and Remote Net Metering projects.

⁴ For projects with electric generating resource(s) paired with an Electric Energy Storage system, the CBC Charge will be assessed based solely on the nameplate capacity of the applicable generation resource(s) and will not include the nameplate capacity of the Electric Energy Storage system.

⁵ The Company will file with the Commission fifteen days prior to January 1, 2022, its initial Statement of Customer Benefit Contribution. As set forth in the Order, the CBC Charges contained on this statement will not include the Dynamic Load Management program costs originally included in the CBC Charge calculations set forth in the November 2020 Filing.

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- Language was added in various sections of Rider N stating that the CBC Charge cannot be offset by Net Metering or Value Stack credits generated on the customer's account.
- The Term of Service section has been revised to remove language related to Phase One NEM applicability for projects placed in service on or after January 1, 2020 since the Commission has kept the term of service as 20 years from the in-service date for all Phase One NEM customers.

In addition to the changes to Rider N, the Company has made the following changes to the Electric Tariff.

- General Information Section Nos. 26 and 30 of the Electric Tariff have been amended regarding treatment of CBC revenues. Given that CBC revenues are meant to ensure that Phase One NEM customers fairly contribute to public benefit programs, the Company will apply CBC revenues to each of the respective mechanisms that collect the costs of the public benefit programs included in the CBC Charges. Such public benefit programs include the Clean Energy Fund and program costs currently being collected in base rates such as Low Income and energy efficiency. Accordingly, the System Benefits Charge and the Revenue Decoupling Mechanism ("RDM") Adjustment provisions contained in General Information Section Nos. 26 and 30, respectively, have been amended.
- The CBC Charge has been added to the Rates – Monthly section of SC Nos 1, 2, and 19.

In this filing, the Company is also incorporating text that was approved, and became effective on September 1, 2021, pursuant to the Commission's Order Clarifying Banking Rules Under the Community Distributed Generation Program, issued and effective May 17, 2021, in Case 15-E-0751, and Order Authorizing Changes to the Remote Crediting Program, issued and effective July 15, 2021, in Case 19-E-0735.

Conclusion and Notice

Ordering Clause 1 of the Order directed the Company to file tariff amendments to implement the modifications described in the Order, on not less than 10 days' notice, to become effective on September 7, 2021. Pursuant to your letter dated August 20, 2021, the request by the Joint Utilities⁶ to extend the deadline to file the tariff amendments on not less than 10 days' notice to become effective on September 17, 2021, was granted. Accordingly, the Company is filing these tariff amendments to become effective on September 17, 2021.

As specified in Ordering Clause 3 of the Order, the Commission has waived the requirements for newspaper publication.

⁶ The Joint Utilities include the Company, 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, and Rochester Gas and Electric Corporation ("Joint Utilities").

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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

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APPENDIX A

Electric Tariff Leaves

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding No.</u>
180.1.1	5	4
180.3	6	5
181.2	7	6
181.3.3	3	2
181.4	8	7
181.4.1	1	0
181.4.2	1	0
181.5	9	8
181.5.1	4	3
181.5.1.1	1	0
181.5.2	4	3
181.5.3	4	3
181.5.4	3	2
183	8	7
183.1	0	
185.9.2	4	3
185.15	0	
189	10	9
253	8	7
259.1	2	0
265	6	4
271	9	7
342	6	4