



Orange and Rockland Utilities, Inc.
4 Irving Place
New York NY 10003-0987
www.oru.com

June 24, 2019

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, In the Matter of the Value of Distributed Energy Resources

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 tariff leaves and statement being filed to become effective on July 1, 2019.

Reason for Filing

This filing is made pursuant to the Commission's Order on Standby and Buyback Service Rate Design and Establishing Optional Demand-based Rates, issued and effective May 16, 2019 (the "Order") in Case 15-E-0751.

Tariff Changes

The Company has made the following changes pursuant to Ordering Clause 1 of the Order to implement opt-in Standby Service rate eligibility for demand-billed non-residential customers:

- Changed the title of Service Classification ("SC") No. 25 in both the Table of Contents and in SC No. 25 to indicate that SC No. 25 includes provisions for Standby Service rates that also apply to customers without a generating facility.¹
- Moved and clarified the requirements for billing under SC No. 25 for customers with on-site generation equipment having a total nameplate rating equal to more than 15 percent of the maximum potential demand served from all sources, or for customers served

¹ Clarifications were also made to General Information Section Nos. 25 and 27 to indicate that certain costs recovered through the Energy Cost Adjustment and Value of Distributed Energy Resources Cost Recovery mechanisms, currently assessed on a contract demand basis, would apply to all customers billed under Standby Service rates.

Honorable Kathleen H. Burgess

June 24, 2019

Page 2 of 4

under paragraph (K) of the Applicability Section of Rider N, unless they are exempt pursuant to Special Provision A or Special Provision D of SC No. 25.

- Added a new group of customers called “Rate Choice Customers” to mean non-residential demand-billed customers, with or without a generating facility, that are not required to take Standby Service rates, or are exempt from Standby Service rates pursuant to Special Provision A of SC No. 25, that elect to be billed under Standby Service rates. A Rate Choice Customer may elect to change its billing rate to or from Standby Service rates no more than once every 12 months. All such notices must be made at least 30 days in advance in writing. A Rate Choice Customer will be billed under Standby Service rates commencing with the first full billing period for which interval metering data is available subsequent to the Company’s receipt of notice of such election. Rate Choice Customers served under Rider N, or that do not have on-site generation equipment, or have emergency generating facilities used pursuant to General Information Section No. 8.4, are not subject to the Interconnection Requirements and Interconnection Charges sections and Special Provision E of SC No. 25.
- Modified the eligibility provisions in SC No. 25 to state that Rate Choice Customers are subject to SC No. 25.
- Removed the requirement in Special Provision A of SC No. 25 for customers taking service from on-site generating equipment having a total nameplate rating equal to no more than 15 percent of the maximum potential served from all sources to be on the otherwise applicable service classification, since they now have the option to elect Standby Service rates as Rate Choice Customers. Customers with a contract demand of less than 50 kW with on-site generating equipment having a total nameplate rating greater than 15 percent of the maximum potential demand served from all sources remain exempt from Standby Service rates and are not Rate Choice Customers if they decline the exemption and choose to be billed under Standby Service rates.²
- Since certain Rate Choice Customers will not have generating facilities, changes have been made to the Contract Demand provisions of SC No. 25. Therefore, the following requirements have been added.³
 - The contract demand will be established by the Company for Rate Choice Customers without generating facilities based on: (1) the customer’s monthly maximum demand during the prior 24 months if the customer had received service under another service classification during this time frame; or (2) the Company’s engineering analyses of the customer’s electrical equipment and diversity of load, premises to be served, and information supplied by the customer at the Company’s request if the customer had received service under another service classification for less than 24 months.
 - A Rate Choice Customer without a generating facility may request that the Company revise its contract demand downward once every 12 months if the customer demonstrates, based on an engineering analysis submitted to the

² Since these customers are not Rate Choice Customers, the Revenue Decoupling Mechanism (“RDM”) is not applicable to them.

³ Rate Choice Customers with generating facilities would be subject to the existing contract demand provisions contained in SC No. 25.

Honorable Kathleen H. Burgess

June 24, 2019

Page 3 of 4

Company, that electricity-consuming equipment is removed or abandoned in place or that permanent energy-efficiency or load-limiting equipment is installed. Any such revisions to the contract demand would not be retroactive.

- If the monthly maximum demand exceeds the restated contract demand, the monthly maximum demand will become the contract demand in that month and thereafter.
- Revised the RDM provision in General Information Section No. 30 to include Rate Choice Customers in the RDM.
- Revised the Statement of Revenue Decoupling Mechanism Adjustment (“RDM”) – Statement No. 12 to: (1) add a note that the RDM is applicable in accordance with General Information Section No. 30; (2) remove the exclusions note since it is no longer accurate that the RDM is not applicable to customers billed under Standby Service rates; and (3) remove from the statement the SCs to which the RDM is applicable.

The Company has made the following changes pursuant to Ordering Clause 6 of the Order to restrict eligibility for the Reliability Credit to exclude customers’ distributed energy resources that receive Value Stack compensation for exports to the system:

- Added to the Standby Reliability Credit provision in SC No. 25 restrictions that the Standby Reliability Credit is not applicable to: (1) customers served under the Value Stack Tariff as described in Rider N of the Electric Tariff; and (2) to customers with Grid-connected Electric Energy Storage systems.⁴ The term Grid-connected Electric Energy Storage system was also added to General Information Section No. 2.2 to mean an Electric Energy Storage System that is a Stand-alone Electric Energy Storage system or an Electric Energy Storage system paired with other generating technologies that supports customer loads (other than loads directly related to or necessary to support the Electric Energy Storage system) that are less than or equal to 25 percent of the Electric Energy Storage system nameplate capacity rating or inverter capability.
- Clarified that the Standby Reliability Credit is not available to customers without a generating facility since a generating facility is required to receive the Standby Reliability Credit.

The Company has made the following changes to SC No. 15 – Buyback Service pursuant to Ordering Clauses 7 and 8 of the Order:

- Removed the requirement that the purchase of capacity by the Company would require a negotiated contract or a sales agreement. Instead, capacity purchases will be an option for any customer the energy of which is also purchased by the Company under SC No. 15 and that meets the requirements applicable to installed capacity established by the New York Independent System Operator (“NYISO”) for such purchases under SC No. 15. Purchases of capacity under SC No. 15 will commence for a customer in the first calendar month following the customer’s meeting all applicable NYISO requirements.

⁴ The Commission previously approved tariff provisions of Consolidated Edison Company of New York, Inc. (“Con Edison”) that exclude Grid-connected Energy Storage systems from eligibility for the Reliability Credit, Order, p. 35. Accordingly, O&R has added this exclusion to the Electric Tariff.

Honorable Kathleen H. Burgess
June 24, 2019
Page 4 of 4

- Increased the limit for capacity that will be purchased from eligible facilities that are sized at 2 MW or less to eligible facilities that are sized 5 MW or less. Payment for capacity will be based upon the NYISO unforced capacity monthly market price applicable to such capacity.
- Removed a provision in SC No. 15 related to capacity contracts that were entered into by July 1, 2002 since the Company has no such contracts.

Conclusion and Notice

As directed by Ordering Clauses 1, 6, 7, and 8 of the Order, the Company is filing changes to the Electric Tariff to become effective on July 1, 2019.⁵

Pursuant to Ordering Clause 9 of the Order, the Commission waived the requirement for newspaper publication of these changes. Questions concerning this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering

⁵ On July 10, 2019, 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, O&R, and Rochester Gas and Electric Corporation to file their tariff changes on June 22, 2019 instead of the originally directed June 11, 2019 filing date. Since June 22, 2019 fell on a weekend, the Company is filing these changes on the Monday following June 22, 2019 (i.e., June 24, 2019).

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>
7	2	1	371	2	1
13	1	0	376	5	4
252.1	3	2	377	4	3
254	3	2	381	1	0
254.1	1	0	382	1	0
259	7	6	383	1	0
259.1	0		383.1	0	
319	1	0	384	1	0
320	2	1	387	3	2
370	1	0	397	1	0

PSC No. 3 - ELECTRICITY: List of Revised Statements

Statement No. RDM-12