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June 24, 2019

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

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

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or 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. The Company is also filing amendments to its Schedule for PASNY Delivery Service, P.S.C. No. 12 – Electricity (the “PASNY Tariff”),<sup>1</sup> applicable to delivery by the Company of power and associated energy to New York Power Authority Public Customers under the PASNY 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 General Rule 20, and all references to the title throughout the Electric Tariff, to indicate that General Rule 20 includes provisions for Standby Service rates that

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<sup>1</sup> This schedule is also titled, “Delivery Service Rate Schedule Implementing and Part of the Service Agreement Between the Power Authority of the State of New York (“PASNY” or “NYPA”) and Consolidated Edison Company of New York, Inc. (the “Company”), dated March 10, 1989, for the Delivery by the Company of Power and Associated Energy to Authority Public Customers.”

also apply to Customers without generating facilities. Corresponding changes have also been made to the PASNY Tariff.

- Moved and clarified the requirements for billing under Standby Service rates in General Rule 20 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 are Customers served under Section A.9 of Rider R, unless they are exempt pursuant to General Rule 20.3.
- Modified the definition for Standby Service rates in General Rule 2 to refer to the same definition in General Rule 20.
- Modified the definition for “Standard rates” to refer to the rate under which the Customer would otherwise be billed if it was not billed under Standby Service rates. The current definition for Standard rates refers to the rate under which the Customer would otherwise be billed if it was not supplied by a private generating facility or was not a wholesale generator, which is no longer accurate pursuant to the Order.
- Added a new group of Customers called “Rate Choice Customers” to mean demand-billed Customers under Service Classification (“SC”) Nos. 5, 8, 9, 12, and 13, with or without a generating facility, that are not required to take Standby Service rates, or exempt from Standby Service rates pursuant to General Rule 20.3, 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. Subsequent changes will become effective with the first full billing period. Rate Choice Customers served under Rider R, or that do not have on-site generation equipment, or have emergency generating facilities used for self supply pursuant to General Rule 8.2, are not subject to General Rules 20.2 and 20.7.
- Modified the eligibility provisions in General Rule 20 to state that Rate Choice Customers are subject to General Rule 20.
- Moved the metering provisions for Standby Service rates from General Rule 20.2.3 to a provision in General Rule 20.4.2, since General Rule 20.2 is not applicable to Rate Choice Customers without generating facilities, but the metering provisions are applicable.
- Removed the requirement in General Rule 20.3.1 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 Standard Rates, 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.<sup>2</sup>

- Added that Standby Service rates are applicable to Rate Choice Customers in General Rule 20.4.1.
- Since certain Rate Choice Customers will not have generating facilities, changes have been made to the Contract Demand provisions of General Rule 20.4.3. Therefore, the following requirements have been added:<sup>3</sup>
  - 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 Standard rates 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 Standard rates 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 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.
- Added a requirement in General Rule 20.9 that Rate Choice Customers without generating facilities must make an election in writing to change to or from Standby Service rates. Only Standby Service Customers<sup>4</sup> are required to submit "Application for Net Metering or Standby Service and/or Buy-Back Service" set forth in Application Form G in the General Rules.
- Modified the eligibility provisions in Rider R to state that Rate Choice Customers served under Rider R are subject to General Rule 20.

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<sup>2</sup> Since these Customers are not Rate Choice Customers, the RDM is not applicable to them.

<sup>3</sup> Rate Choice Customers with generating facilities would be subject to the existing Contract Demand provisions contained in General Rule 20.4.3.

<sup>4</sup> "Standby Service" as defined in General Rule 20.1 refers to Customers with a generating facility. Note that for service under Rider Q – Standby Rate Pilot, a Customer is required to have a generating facility. As such, Rate Choice Customers without generating facilities are not eligible to take service under Rider Q.

- Revised the Revenue Decoupling Mechanism provision in General Rule 26.2 to include Rate Choice Customers in the Revenue Decoupling Mechanism.
- Revised the Statement of Revenue Decoupling Mechanism Adjustment (“RDM”) – Statement No. 23 to eliminate the applicability note since it is no longer accurate that the RDM is not applicable to Customers billed under Standby Service rates. The applicability for the RDM Statements is described in the revised General Rule 26.2, as noted.
- Revised the applicability of Rates III and IV of the PASNY Tariff to indicate that Standby Service rates are not only for Customers that are required to be billed under Standby Service rates. Standby Service rates are also available for Customers that elect to be billed under Standby Service rates.
- Added to the Standby Service and Standby Service rate provision in the PASNY Tariff that election to or from Standby Service rates must be made in writing by PASNY.
- The terms “Standby Service,” “Standby Service rates,” and “Standard rates” have been clarified throughout the Electric Tariff and PASNY Tariff as follows:
  - Replaced the term “firm service rates” with “Standard rates” in General Rule 20.4.3, Rider R and SC 11.
  - Clarified that the term “Standby Service Customers” in General Rules 26.8 and 26.9 was intended to mean “Customers billed on Standby Service rates.”

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 General Rule 20.5.4 a restriction indicating the Standby Reliability Credit is not applicable to Customers served under the Value Stack Tariff as described in Rider R of the Electric Tariff.
- 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. 11 – Buy-Back 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. 11 and

that meets the requirements applicable to installed capacity established by the New York Independent System Operator (“NYISO”) for such purchases under SC No. 11. Purchases of capacity under SC No. 11 will commence for a Customer in the first calendar month following the Customer’s meeting all applicable NYISO requirements.

- 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. 11 related to capacity contracts that were entered into by February 25, 1991 and April 1, 2000, since the Company has no such contracts.
- Removed an obsolete provision regarding initial elections from capacity sellers prior to April 1, 2000.

The Application for Net Metering or Standby Service and/or Buy-Back Service set forth in Application Form G in the General Rules has been revised: (1) to provide Rate Choice Customers with generators to elect Standby Service rates or Standard rates; and (2) to add the option to the Type of Service Requested for a Customer to purchase both energy and capacity for generating facilities sized at 5 MW or less.

### **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 and PASNY Tariff to become effective on July 1, 2019.<sup>5</sup>

Pursuant to Ordering Clause 9 of the Order, the Commission has waived the requirements for newspaper publication.

Sincerely,

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

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<sup>5</sup> 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, Orange and Rockland Utilities, Inc., and Rochester Gas and Electric Corporation to file their tariff changes on June 22, 2019 instead of the originally directed filing date of June 11, 2019. 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

**PSC No. 10 - Electricity: List of Revised Electric Tariff Leaves and Statement**

<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>	<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
5	2	1	160	3	2	248	6	4
20	5	4	161	5	4	253.8	2	1
152	6	4	162	9	8	322	1	0
153	3	2	162.1	3	1	349	5	4
154	6	5	162.2	3	1	358.1	3	1
155	2	1	162.3	1	0	358.2	3	1
156	1	0	162.4	2	1	358.3	2	1
157	7	6	162.5	1	0	382.1	5	3
157.0.1	1	0	163	2	0	383.0.1	1	0
157.1	5	4	164	6	5	384	11	10
157.1.1	3	2	165	2	1	384.1	3	1
157.2	6	5	166	3	1	385	9	7
157.2.1	1	0	166.1	0		385.0.1	3	1
157.3	5	4	167	8	7	462	6	4
157.4	12	10	167.1	4	2	465	3	2
157.5	1	0	168	3	2	474	4	3
158	2	1	169	1	0	477	4	3
159	2	1	170	3	2			

Statement

Statement of Revenue Decoupling Mechanism Adjustment

Statement Type

RDM

Statement No.

23

**PSC No. 12 - Electricity: List of Revised PASNY Tariff Leaves**

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
7	12	10
8	12	10
17	3	2
17.1	4	3
17.1.1	2	1
17.2	5	4