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May 22, 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, 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 June 1, 2019.

Reason for Filing

This filing is made pursuant to the Commission's <u>Order Regarding Value Stack Compensation</u>, issued and effective April 18, 2019 (the "Order") in Case 15-E-0751. The Order (at p. 36) directed each utility to file tariff amendments implementing modifications to the Value Stack credit components.

Tariff Changes

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

Rider R Applicability (Section A)

The Applicability Section of Rider R has been amended to expand the applicability of Phase One Net Metering ("Phase One NEM") to Large On-Site Customers[1] with electric generating equipment that has a rated capacity of 750 kW AC or lower and has an estimated annual

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[1] Large On-Site Customers are defined in Rider R as Customers billed under demand rates with electric generating equipment that supplies energy to a single account behind the same meter as the generating equipment.

output less than or equal to 110 percent of that Customer's historic annual usage in kWhr, including those Customers that previously would have been compensated under the Value Stack Tariff.[2]

In addition, the Value Stack Tariff has been separated into two phases. Value Stack Phase One applies to Customers that qualified on or prior to July 26, 2018 and Value Stack Phase Two applies to Customers that qualify after July 26, 2018. Customers qualify when they have paid at least 25 percent of their interconnection costs or executed the interconnection agreement if no such payment is required. Value Stack Phase One Customers will be provided a one-time, irrevocable opt-in for compensation under Value Stack Phase Two for all applicable Value Stack Phase Two components, unless that Customer has a Community Distributed Generation ("CDG") project that had been assigned a Tranche position on or prior to July 26, 2018. Those Customers assigned a Tranche position on or prior to July 26, 2018 will receive compensation under the Value Stack Phase One for the 25-year term from their in-service date. All other Customers that choose to opt into the Value Stack Tariff on or after June 1, 2019 will receive compensation under the Value Stack Phase Two.

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

Section F of Rider R has been amended to state that there will be no Community Credit included for the conversion of kWhr credits to Banked Monetary Credits for CDG projects.

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

Section H of Rider R has been amended as follows:

- Value Stack Phase Two Capacity Alternatives 1 and 2 have been added. The Value Stack Phase Two Alternative 1 Capacity Component will be equal to the monthly NYISO $/kW-month auction price multiplied by the proxy capacity factor , divided by the regional average monthly solar production (kWhr/kW), adjusted by the Factor of Adjustment for Losses and excess Installed Capacity ("ICAP") adjustments per the New York State Independent System Operator ("NYISO"). The proxy capacity factor and monthly solar production values will be added to the Value Stack Credits Statement that is filed monthly with the Commission.[3]

  The Value Stack Phase Two Alternative 2 Capacity Component will be calculated annually based on the sum of the most recently available monthly NYISO $/kW-month auction prices for the 12 prior months as of May 31 of each year divided by the total number of available hours,[4] all adjusted by the Factor of Adjustment for Losses and excess ICAP adjustments per the NYISO. The credit under Value Stack Phase Two

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[2] Form G - Application for Rider R or Standby Service and/or Buy-Back Service of the Electric Tariff was also amended to extend Phase One NEM to these Customers.

[3] The Company has included as Attachment A to this filing a draft Value Stack Credits Statement that shows the proxy capacity factors and monthly solar production values by area, as set forth in Appendix E of the Order.

[4] Available hours are based on the five hours beginning 2 PM through the end of the hour beginning 6 PM on non-holiday weekdays from June 24 to August 31 and will equal 240 or 245.

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Alternative 2 will be calculated by multiplying the total net kWhr injection by the customer-generator onto the Company's system for each hour of the available hours in the billing period by the Value Stack Phase Two Capacity Component Rate 2 and summing these credits up for the billing period. A Customer must elect the Value Stack Phase Two Alternative 2 Capacity Component by May 1 to be eligible to receive the Value Stack Phase Two Capacity Component Rate 2 beginning June 1 of that summer. A Customer electing Alternative 2 after May 1 will remain on Alternative 1 until April 30 of the following calendar year.

- The Market Transition Credit ("MTC") Component was amended to state that it is applicable only to Value Stack Phase One.

- A Value Stack Phase Two Demand Reduction Value ("DRV") Component has been added which will be calculated by multiplying the customer-generator's net injection during the available hours times the Customer's Value Stack Phase Two DRV Component Rate. The available hours, which will be included on the Value Stack Credits Statement, will be those within the Customer's applicable Rider T Commercial System Relief Program ("CSRP") Call Window that fall on weekdays between June 24 and September 15, excluding Independence Day and Labor Day. The Value Stack Phase Two DRV Component Rate and hours will be fixed for a period of 10 years from the customer-generator's in-service date.

- A Value Stack Phase Two Locational System Relief Value ("LSRV") Component has been added which will be calculated by dividing the Customer's Value Stack Phase Two LSRV Component rate ($/kW-year) by 10, multiplying this value by the customer-generator's minimum hourly net injections for each Value Stack Phase Two LSRV Event, and summing the total of these values. This amount will be calculated annually, divided by twelve, and credited monthly during the following year, similar to the manner in which the Value Stack Phase One LSRV Component is currently credited to customers. An LSRV Event will be announced at least 21 hours prior to the commencement of the event. The duration of LSRV Events will be for a minimum of one hour and a maximum of four hours during weekdays from June 24 through September 15 inclusive, excluding Independence Day and Labor Day. A minimum of ten events per year will be called in each LSRV zone. Should a Customer commence service under the Value Stack Phase Two after the start of the capability period, the number of events for which the Customer can receive credit may be less than 10 events for that first capability period.

- Customers can opt-out of receiving Value Stack DRV and LSRV compensation as a one-time, irreversible decision at any point during a project's Value Stack compensation term

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and participate in the Company's Rider T Commercial Demand Response Programs[5] provided all requirements for participation under Rider T have been met.[6]

- A Community Credit has been added that is applicable to Value Stack Phase Two CDG Projects and to Mass Market Customers who opt-in to Value Stack Phase Two, provided that the customer-generator for both CDG Projects and Mass Market Customers is a PSL Section 66-j or 66-l eligible resource (based on customer type, generator type, and size. The Value Stack Phase Two Community Credit Component will be calculated and applied monthly by multiplying the eligible Customer-generator's total net injections (kWhr) by the Value Stack Phase Two Community Credit Rate. The Value Stack Phase Two Community Credit Rate will be shown on the Value Stack Credit's Statement. The availability of the Community Credit has also been extended to CDG Hybrid Facility configurations in a manner similar to the MTC credit.

- References to Value Stack Phase Two Capacity Components Alternatives 1 and 2 have been added to the Hybrid Facilities section.

- Housekeeping changes were made to remove expired provisions related to: (1) Value Stack billing commencing with the bill to the customer-generator having a "from date" that commences November 1, 2017; and (2) the filing of the initial Value Stack Credits Statement to become effective on November 1, 2017.

Rider T

- The definition of "Load Relief" was amended to include Electric Generating Equipment taking service under the Rider R Value Stack Tariff.

- The Applications and Terms of Service section was changed to state that Rider R Value Stack Tariff Customers that enroll in Rider T are ineligible to receive DRV and/or LSRV compensation. This is a one-time, irreversible decision that can be made at any point during a project's Value Stack compensation term.[7]

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[5] The Company's Rider T Commercial Demand Response Programs are the CSRP and the Distribution Load Relief Program ("DLRP").

[6] For the 2019 Capability Period, Customers served under Rider R that had applied for service under Rider T prior to the date of this filing will receive Rider T compensation for the load reduction and DRV and/or LSRV compensation for the physical export. For Rider R Customers that subsequently apply for service under Rider T, compensation for load reductions and physical exports will both be valued using the existing Customer Baseline Load.

[7] As per the Order, Customers who opt out of receiving DRV and/or LSRV compensation and participate under Rider T will be compensated for injections at the same rate as compensation for load reductions

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<u>General Information Section 26.8 – Value of Distributed Energy Resources ("VDER") Cost Recovery</u>

The VDER Cost Recovery Section of the Tariff has been amended to add the Community Credit as a recoverable item. Community Credits paid out will be recovered from the applicable VDER Cost Recovery service classification group that generated the credit on a per-kW basis for demand billed service classification groups (for Standby Service Customers, the credit will be collected on a per kW of Contract Demand basis) and on a per kWhr basis for non-demand billed service classification groups.

<u>Conclusion and Notice</u>

As directed by Ordering Clause 1 of the Order, the Company is filing changes to the Electric Tariff to become effective on June 1, 2019.[8]

Pursuant to Ordering Clause 4 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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[8] On May 8, 2019, as permitted by the Order, the Secretary 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 May 22, 2019 instead of the originally directed filing date of May 12, 2019.

Appendix A

Consolidated Edison Company of New York, Inc.

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

Leaf No.	Revision No.	Superseding Revision No.	Leaf No.	Revision No.	Superseding Revision No.
245.0.1	1	0	253.4.3	0	
245.1	3	2	253.5	2	1
245.2	0		253.6	4	2
249.4	4	3	253.7	1	0
253.2	2	1	253.8	1	0
253.2.1	0		269	7	6
253.2.2	0		274	4	3
253.3.1	2	1	358.1	1	0
253.4	2	1	358.2	1	0
253.4.1	0		383	8	6
253.4.2	0				