



Orange and Rockland Utilities, Inc.
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December 2, 2020

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

RE: Case 18-E-0130, In the Matter of Energy Storage Deployment Program.

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 below, are filed to become effective on January 1, 2021.

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision</u>
252.1	5	4
252.2	2	1

Tariff Change

The Commission's *Order Establishing Energy Storage Goal and Deployment Policy*, issued and effective December 13, 2018 (the "Order") in the above-referenced proceeding, required the Company to file tariff amendments to effectuate cost recovery of the amortized contract costs for the procurement of at least 10 MW of scheduling and dispatch rights from qualified energy storage systems to be operational by December 31, 2022. Pursuant to the Order, the Company filed tariff changes on April 11, 2019 to establish the recovery of all costs related to storage procurement in the Energy Cost Adjustment ("ECA") of the Electric Tariff. These tariff changes became effective on June 1, 2019.

On May 27, 2020, the Company filed to specify in the Electric Tariff that any annual wholesale revenues exceeding the contract costs will be shared with customers and shareholders based on 70 and 30 percent, respectively, as authorized by the Order. These tariff changes became effective on July 1, 2020.

Following discussions with Department of Public Service Staff, the Company proposes further tariff changes. In addition, in the Company's April 11, 2019 filing in the above-referenced case, the Company proposed to include all market revenues in a deferral until included in base rates in a subsequent rate case. After further consideration, the Company retracts this proposal.

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Proposed Tariff Changes

The Company proposes to revise the Energy Cost Adjustment to define Net Annual Wholesale Market Revenues to mean the annual wholesale market revenues (avoided wholesale electric market costs or direct revenue from the NYISO) from the energy storage asset, that are greater than the Energy Storage Marketing Participation Costs on an annual basis. Energy Storage Marketing Participation Costs include, but are not limited to, the following costs if paid by the Company: (1) energy charging costs; (2) NYISO participation fees; and (3) any incremental costs related to bidding energy storage resources into the NYISO markets.

Conclusion and Notice

The Company is filing these changes to the Electric Tariff to become effective on not less than thirty days' notice. Pursuant to Ordering Clause 15 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