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April 2, 2015

Honorable Kathleen H. Burgess
Secretary
New York State Public Service Commission
3 Empire State Plaza, 19th Floor
Albany, New York 12223

RE: Case 15-E-0032, Net Metering Tariff Changes

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 "Tariff"), applicable to its customers in the City of New York and the County of Westchester.

The revised Tariff Leaves, which are identified below, make changes to Rider R – Net Metering for Customer-Generators and Application Form G – Application for Net Metering or Standby Service and/or Buy-back Service. The Tariff Leaves have an effective date of July 27, 2015:

Tariff Leaf No.	Revision No.	Superseding Revision
244	4	3
247	2	1
249	2	1
251	4	3
251.1	4	3
251.2	2	1
252	6	5
383	3	2

Reason for Filing

The Commission's Notice Establishing Filing Requirements (the "January Notice"), issued and effective January 15, 2015, in Case 15-E-0031 et al., "*Tariff Filings to Effectuate Amendments to Public Service Law § 66-j (Net Energy Metering for Non-Residential Farm Waste or Fuel Cell Electric Generating Equipment) and Conforming*

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Changes to Standardized Interconnection Requirements," directed electric utilities to file tariff changes to conform their tariffs to Chapters 494 and 518 of the Laws of 2014, which amended Public Service Law §66-j. Chapter 518 increased to up to 2,000 kW the nameplate rating of fuel cell electric generating equipment eligible for net metering. Chapter 494 extended net metering, including remote net metering, to non-residential customers with farm waste electric generating equipment rated up to 1,000 kW located and used at the customer's non-residential premises ("Non-farm Location"). Chapter 494 also specified that, for farm waste electric generation at a Non-farm Location, the interconnection cost for installing dedicated transformers or other equipment for farm waste generating equipment rated over 25 kW will be as determined by the utility; net energy credits arising in each billing period will be credited at the utility's Avoided Energy Cost for that billing period; and the utility will perform an annual reconciliation and issue payment at its annual Avoided Energy Cost for any remaining credit.

This filing proposes tariff changes as required by the January Notice. The Company also proposes other tariff changes based on the Commission's Order Raising Net Metering Minimum Caps, Requiring Tariff Revisions, Making Other Finds, and Establishing Further Procedures (the "December 2014 Order"), issued and effective December 15, 2014, and in its Order Clarifying Prior Order (the "Clarifying Order"), issued and effective January 9, 2015, in Cases 14-E-0151 and 14-E-0422.

Proposed Tariff Changes

The Company has modified its tariff as described below.

Rider R – Net Metering for Customer-Generators

- Applicability

  Rider R Applicability, paragraph A, has been expanded to include customers with farm waste generating equipment rated up to 1,000 kW at a customer's Non-Farm Location and non-residential customers with fuel cell electric generating equipment rated up to 2,000 kW. The "Applicability" section has also been amended to incorporate the Commission's three-prong test, which was established in the December 2014 Order and the Clarifying Order.[1] The test is that the kW of facilities with generating equipment located near each other will be aggregated to determine if the kW limit is met unless each facility meets all of the following criteria: (a) each is located on a separate site (*i.e.*, a separately deeded location); (b) each is separately metered and interconnected to the Company's grid; and (c) each is operated independently of the others.

[1] Although the December 2014 Order and the Clarifying Order specifically addressed facilities with solar generating equipment rated up to 2 MW, the three-prong test establishes reasonable criteria that should be applied to all generating facilities seeking net metering.

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The Company has specified that the aggregated rated capacity of electric generating equipment eligible for net metering will be limited to 25 kW for residential customers and 2,000 kW for non-residential customers.[2] As required by the December 2014 Order and the Erratum Notice of December 16, 2014, issued in Cases 14-E-0151 and 14-E-0422,[3] the Company will waive the 2,000 kW limit for a customer whose solar electric generating facility successfully participated in the NYSERDA – Competitive Solar PV Solicitation: Program Opportunity Notice ("PON") 2589, PON 2860, or PON 2956 or the New York City Department of Environmental Protection and Economic Development Corporation's March 2, 2012 Request for Proposals ("RFP") if the customer demonstrates that the PON or RFP participant made good faith efforts to comply with the 2,000 kW limit in configuring its proposal.

- Requirements for Parallel Operation (Interconnection)

The Company has revised paragraph D.2, which details the customer's cost contribution for dedicated transformers or other equipment. The Company has increased the capacity limit to 2,000 kW from 1,500 kW for fuel cell electric generating equipment and specified that the maximum cost contribution of $5,000 for farm waste electric generating equipment applies only to generation installed at the customer's farm operation. Where a non-residential customer has farm waste generating equipment installed at a Non-farm Location, the customer will be required to contribute the Company's actual cost, in the same manner as non-residential customers that have fuel cells or micro-hydroelectric equipment.[4]

The existing tariff indicates that fuel cell electric generating equipment and/or residential micro-CHP cannot be served on the same net-metered account as solar,

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[2] Reference the December 2014 Order, pp. 16-20. Addressing similar circumstances related to a 2 MW limit, the December 2014 Order states, "A site, it was decided, could be the location of only one 2 MW facility. As in PSL §66-j, these policies were intended to promote installation of numerous small qualifying facilities distributed widely across utility service territories. The PSL §66-j size limitation must be similarly enforced." (pp. 17-18) "Under the plain meaning of PSL §66-j, segmentation arrangements do not qualify for remote net metering….As a result, it is clear that the 2 MW system itself must be connected to the electric system directly, and dividing a larger facility into separately metered subsidiary segments behind a common interconnection of a much larger size at a cumulative master meter does not comport with the statutory requirement." (pp. 18-19)

[3] The Commission's Order Staying Prior Order in Part, issued and effective February 27, 2015, stayed the requirement that non-demand remote net metered accounts be credited on a volumetric, instead of a monetary, basis as well as the projects grandfathered under monetary crediting, but it neither altered nor stayed the three-prong test specified in the December 2014 Order.

[4] Public Service Law §66-j, 3(c)(iii) specifies that the "cost shall be as determined by the electric corporation" for solar, fuel cells, micro-hydroelectric, and farm waste generating equipment rated over 25 kW at a non-residential premises. Although Public Service Law §66-j, 3(c)(i) is silent about how to treat fuel cells and micro-hydroelectric generating equipment rated up to 25 kW, the Standard Interconnection Requirements adopted by the Commission's Order of March 16, 2012, in Case 11-E-0318 et al., "*Tariff filings in compliance with Commission Order issued November 21, 2011 in the above-referenced cases to provide net metering of micro-hydroelectric and fuel cell generating facilities,*" required that customers with fuel cells or micro-hydroelectric generating equipment at a non-residential premises pay the utility's actual cost, including those with generators rated up to 25 kW.

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wind, or micro-hydroelectric generating equipment. That is because net energy produced by micro-CHP and fuel cells is credited at the Avoided Energy Cost, and net energy produced by the other technologies is credited at the retail rate. Similarly, because farm waste generation at a Non-farm Location will be credited at the Avoided Energy Cost, the Company has indicated that those generators cannot be served on the same net-metered account as solar, wind, or micro-hydroelectric generating equipment.

- Charges and Credits

The Company has modified paragraphs G.2.a(i) and G.2.b(i) to indicate that a non-residential customer whose farm waste electric generating equipment produces net energy at its Non-farm Location will be credited at the Company's Avoided Energy Cost. The Company has also clarified in paragraph G.2.b(ii) that the determination of the Rider M credit, calculated as two separate credits for farm wind and farm waste customers, will only apply to equipment located at the customer's farm (*i.e.*, not a Non-farm Location). Non-Farm Locations will not require separate credits, because their credits will be calculated at the Avoided Energy Cost, rather than the retail rate.

The Company has detailed in paragraph G.3, "Annual Reconciliation," the customers to whom the annual reconciliation and refund applies. This will include any customer with farm waste generating equipment located either at its farm or Non-farm Location. Because Non-farm Locations are credited on a monthly basis at Avoided Energy Cost, rather than the retail rate, the Company has clarified in paragraph G.3.a(iii) that, at the time of the annual reconciliation, the requirement to refund the supply credit as determined under paragraph G.2.b(ii) applies only to farm wind or farm waste equipment located at the customer's farm (*i.e.*, not a Non-farm Location).

Application Form G – Application for Net Metering or Standby Service and/or Buy-Back Service

Section 4 of Application Form G, related to net metering, has been revised to: (a) increase the cap to 2,000 kW for fuel cell electric generating equipment eligible for net metering, (b) extend eligibility for farm waste electric generating equipment rated up to 1,000 kW used at a non-residential customer's Non-farm Location, and (c) indicate that farm waste electric generating equipment at a Non-farm Location cannot be served on the same account as solar, wind, or micro-hydroelectric generating equipment.

Conclusion and Notice

The January Notice required that tariff amendments be filed by February 18, 2015, and bear an effective date of June 10, 2015. This requirement was modified by the Notice Extending Time to File (the "February Notice"), issued February 17, 2015, in Cases 15-E-0031 et al. As directed by the February Notice, the proposed tariff changes

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are issued within 45 days of the Notice's issue date and bear an effective date of July 27, 2015.

The Company will publish notice of the proposed tariff changes on April 9, 16, 23, and 30, 2015.

Very truly yours,
CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.

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