



Consolidated Edison Company
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July 15, 2014

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

RE: Case 13-E-0573, Demand Response Programs - Riders S and U

Dear Secretary Burgess:

Consolidated Edison Company of New York, Inc. (“Con Edison” or the “Company”) is filing with the Public Service Commission (“Commission”) amendments to its Schedule for Electricity Service, P.S.C. No. 10 – Electricity (“Tariff”), applicable to its customers in the City of New York and the County of Westchester. The Tariff leaves, which are identified in Appendix A, are filed to become effective on July 16, 2014.

Reason for Filing

The Commission’s Order Adopting Tariff Revisions With Modifications, issued and effective March 13, 2014, in Case 13-E-0573 (“March 2014 Order”), approved, with modifications, changes proposed by the Company on December 18, 2013, to the Commercial System Relief Program (“Rider S”) and the Distribution Load Relief Program (“Rider U”).¹ The Commission’s Order Denying Petition for Rehearing But Granting Reconsideration in Part, issued and effective June 27, 2014, in Case 13-E-0573 (“June 2014 Order”), adopted the requests of petitioners Comverge, Inc., EnergyConnect, EnerNOC, Inc., and Innoventive Power, LLC, in part, and directed the Company to file further tariff revisions to effectuate the provisions contained in the June 2014 Order.

¹ In compliance with the March 2014 Order, the Company filed modifications to Rider S and Rider U on March 27, 2014, which became effective on April 1, 2014. To further conform to the requirements of the March 2014 Order, the Company filed additional tariff changes on April 22 and June 18, 2014, which became effective on April 23 and June 19, respectively.

The June 2014 Order: (a) directed that the Three-Year Incentive Payment be contingent upon the Direct Participant or Aggregator Network Resource (“ANR”)² performing, on average, 80 percent or higher of the pledged kilowatt amount across all hours in each season; (b) waived the requirement to pledge an amount of load reduction in years two and three of the Three-Year Incentive Period that is equal to or higher than the year 1 pledge where the customer completes an electric energy efficiency project that reduces its peak load; and (c) confirmed that the same customer can receive a Three-Year Incentive Payment more than once. In addition, Ordering Clause 5 of the June 2014 Order extended the Rider S and Rider U application deadline for the 2014 Capability Period to August 1.

Tariff Changes

With the current filing, the Company has revised Riders S and U, as directed by the June 2014 Order. The changes are described below:

- A definition of “ANR” was added, stating that it refers to one or more customers that an Aggregator enrolls in a specific network for the purpose of determining (a) eligibility for the Three-Year Incentive Payment and (b) the amounts of the Performance Payment, Reservation Payment and the Three-Year Incentive Payment. An Aggregator may have more than one ANR in a specific network. An individual Con Edison account cannot be enrolled in more than one ANR in the same network.
- The definition of “Performance Factor” was expanded to indicate that the Performance Factor for purposes of calculating the Reservation Payment and the Three-Year Incentive Payment for an ANR will be determined as follows:
 - (a) For an ANR enrolled in 2014, the Aggregator’s monthly Performance Factor for the applicable network will be used until the month during the 2015 Capability Period of the first Test Event or Planned Event under Rider S or the first Test Event, Contingency Event or Immediate Event under Rider U, after which the individual ANR’s monthly Performance Factor will be used;
 - (b) For an ANR enrolled for the first time after 2014, the Aggregator’s monthly Performance Factor for the applicable network will be used until the month of the first Test Event or Planned Event under Rider S or the first Test Event, Contingency Event or Immediate Event under Rider U, after which the individual’s ANR’s monthly Performance Factor will be used; and
 - (c) The Performance Factor for an ANR in a network for which the Aggregator does not have a historical Performance is 1.00.

² The Commission adopted the Company’s proposal to calculate performance for aggregators at the ANR level. (June 2014 Order, page 7).

- The definition of “Three-Year Incentive Payment” was modified to state that payment will be awarded if, during the Three-Year Incentive Period, the Performance Factor of the Direct Participant or ANR is no less than 80 percent for each of the three Capability Periods. Under each Rider, the Performance Factor per Capability Period will be based on the event hours used to calculate the monthly Performance Factor. The Performance Factor per Capability Period under Rider S shall be the ratio of: (a) the average hourly kW of Load Relief provided during all of the Planned Event and Test Event hours for that Capability Period to (b) the kW of contracted Load Relief. Under Rider U, this shall be the ratio of: (a) the average hourly kW of Load Relief provided during all of the hours that were used to calculate the Performance Factor for all Contingency Events, Immediate Events, and Planned Events for that Capability Period to (b) the kW of contracted Load Relief. A Direct Participant or Aggregator, for each ANR, may receive a Three-Year Incentive Payment for each subsequent Three-Year Incentive Period in which the Direct Participant or ANR successfully participates.
- The definition of “Three-Year Incentive Period” was modified to state that it refers to the three consecutive Capability Periods for which a Direct Customer or Aggregator, for its ANR, pledged on its enrollment application to provide Load Relief under the Reservation Payment Option. During the current Capability Period, if the average Performance Factor of a Direct Participant or ANR is less than 80 percent as determined using the calculation shown in the “Three-Year Incentive Payment” definition, the Direct Participant or Aggregator, for its ANR, may re-pledge to participate for a Three-Year Incentive Period starting with the next Capability Period.
- The Applications and Term of Service section was modified to state the following:
 - (a) For the 2014 Capability Period only, the Company will accept applications by August 1 for a September 1 commencement date.
 - (b) Commencing with the 2015 Capability Period, applications for enrollment in the Three-Year Incentive Period must state the kW of Load Relief for each ANR.
 - (c) An Aggregator may enroll a new customer or customers in a new ANR or ANRs, each subject to its own Three-Year Incentive Period.³ Aggregators must pledge kW Load Relief per ANR. Once a Direct Customer or ANR commences participation for the first Capability Period of a Three-Year Incentive Period, the pledged Load Relief cannot be increased or decreased for any of the three years; however, the Direct Participant or Aggregator may

³ This method of measurement was not contemplated by the Company in its original technology design and will have implementation costs that have yet to be determined. Such costs, similar to other program costs, will be recovered through the Monthly Adjustment Clause mechanism.

apply in writing to reduce the pledged Load Relief for the upcoming Capability Period for a kW amount up to the demand savings realized from a completed electric efficiency project.

- (d) Provided that the total pledged Load Relief does not change for an existing ANR, an Aggregator, in its enrollment applications for the second and third Capability Periods, may: (i) enroll additional customers in an existing ANR and/or (ii) swap customers between ANRs within a specific network.
 - (e) Prior to the start of the 2015 Capability Period, each Aggregator that participated in the Three-Year Incentive Period in 2014 must allocate its contracted kW of Load Relief per network into one or more ANRs, with the same cumulative kW of Load Relief. If the Aggregator does not allocate kW to ANRs prior to the start of the 2015 Capability Period, the Company shall designate a separate ANR for each individual customer on behalf of the Aggregator.
 - (f) Load Relief of an Aggregator will be measured on a portfolio basis by network. However, for Aggregators enrolled in the Three-Year Incentive Period, Load Relief will be calculated separately for each ANR commencing with the first Planned Event or Test Event in 2015.
- The Metering section was modified to state that, for the 2014 Capability Period, customers can commence service under Rider S or Rider U no later than September 1. In Rider S, text specifying the actual date that metering and/or telecommunications service must be operational was replaced with general text indicating that these must be operational at least thirty days before commencing service under the Rider.
 - The Reservation Payment section was revised to indicate that payment will be made to Aggregators on behalf of their ANRs, rather than each customer. References to payment per Aggregator customer was replaced with payment per ANR.
 - The Performance Factor section was modified to indicate that participants in the Three-Year Incentive Period cannot increase their contracted Load Relief in subsequent capability periods.

The Company also modified the Testing section of Rider U to indicate that Direct Participants or customers of Aggregators commencing participation under Rider U on July 1 or September 1, 2014 may be subject to one Test Event for the 2014 Capability Period.

Conclusion and Notice

Consistent with Ordering Clause 1 of the Order, this filing has been issued on not less than one day's notice, to become effective on July 16, 2014.⁴

Ordering Clause 3 of the Order waived the requirement for newspaper publication of these changes.⁵

Copies of this filing are being sent electronically to all active parties to Case 13-E-0573.

Sincerely,

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

⁴ The June 2014 Order required that the Company file revised tariff provisions by July 1, 2014. The Commission's letter of June 30, 2014, granted the Company's request for an extension to file on July 11, 2014. The Commission's letter of July 10, 2014, granted the Company's request for a further extension of time to file on July 15, 2014.

⁵ The June 2014 Order directed that the Company file additional tariff changes within sixty days of the issuance of the June 2014 Order, which will be subject to notice requirements.

PSC No. 10 – Electricity: List of Tariff Changes

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
255	5	4
256	5	4
256.1	0	
257	5	4
257.1	0	
258	5	4
260	4	3
261	4	3
263	5	4
265	3	2
278	5	4
279	5	4
279.1	0	
281	4	3
282	4	3
282.1	0	
283	4	3
287	4	3
291	4	3