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December 7, 2015

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

**RE: Case 14-E-0488, Continuation and Expansion of Standby Rate Exemptions**

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 General Rule 20 – Standby Service and Application Form G – Application for Net Metering or Standby Service and/or Buy-back Service. The Tariff Leaves have an effective date of December 8, 2015:

<u>Tariff Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision</u>
162	2	1
384	5	4
386	2	1

**Background**

The Commission’s Order Continuing and Expanding the Standby Rate Exemption (the “Exemption Order”), issued and effective April 20, 2015, in Case 09-E-0109 and Case 14-E-0488 directed continuance of the exemption from Standby Service rates through May 31, 2019, for Customers with Designated Technologies.<sup>1</sup> The Exemption

<sup>1</sup> The Company filed tariff changes on May 30, 2015, which became effective on June 1, 2015, to continue the existing Designated Technologies exemptions. As currently tariffed, “Designated Technologies” means on-site generation facilities installed between July 29, 2003 and May 31, 2019, having the following technologies and/or fuels: (a) fuel cells, wind, solar thermal, photovoltaics, sustainably-managed biomass, tidal, geothermal, or methane waste, and (b) combined heat and power (“CHP”) generation that is efficient (“Efficient CHP”) and does not exceed 1 MW of capacity in aggregate. Efficient CHP is CHP that meets

Order also granted expansion of the Designated Technologies exemption to Customers with Efficient CHP having an aggregated capacity greater than 1 MW, but no more than 15 MW, installed between May 31, 2015 and May 31, 2019. As specified in the Exemption Order, Customers who use Efficient CHP with an aggregated capacity greater than 1 MW, up to 15 MW, will be exempt from Standby Service rates for a period of four years from the in-service date. Once exempt, such Customer may make a one-time election prior to the end of its four-year exemption period to be billed under Standby Service rates.

The Commission's Notice Extending Time to File (the "Notice"), issued May 29, 2015, granted a stay on the filing of tariff changes related to expansion of the Designated Technologies exemption to CHP greater than 1 MW until resolution of two petitions<sup>2</sup> that were filed in Case 14-E-0488 on May 20, 2015. The Notice directed that tariff filings be made ten days after the Commission's resolution of the petitions.

### **Reason for Filing**

The Commission's Order Denying Rehearing and Making Other Findings (the "CHP Order"), issued and effective November 25, 2015, in Case 14-E-0488, made determinations on the two petitions. The CHP Order denied the request of the Associated Utilities to retain the 1 MW cap on the Efficient CHP exemption from Standby Service rates. However, it approved the Associated Utilities' request that all new Customers with CHP facilities sized between more than 1 MW and up to 15 MW "install, at their expense, revenue grade, interval meters that will measure generation output, and attach telemetry equipment sufficient to transmit operational information to the utility." (CHP Order, p. 14)

### **Tariff Changes**

The following tariff changes have been made, pursuant to the Exemption Order and the CHP Order:

#### **General Rule 20**

The Company has modified General Rule 20.3.2 to expand the Designated Technologies exemption to Efficient CHP having an aggregated capacity greater than 1 MW, up to 15 MW, that is installed between May 31, 2015 and May 31, 2019. Customers who use Efficient CHP greater than 1 MW, up to 15 MW, will be exempt from Standby Service rates for a period of four years from the in-service date, unless they make a one-time election, in writing, prior to the end of the Customer's four-year

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eligibility criteria that were approved in the order of the New York State Public Service Commission, dated January 23, 2004, in Case 02-E-0781.

<sup>2</sup> Petitions were filed by the Durst Organization, Inc. and by the "Associated Utilities" (i.e., Con Edison, Orange and Rockland Utilities, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, and Rochester Gas and Electric Corporation).

exemption period to be billed prospectively under Standby Service rates. The generating facility's output must be separately metered using Commission-approved, revenue grade, interval metering with telecommunications capability ("Output Meter") that the Customer arranges to be furnished and installed at Customer expense, and the Customer, at its expense, must provide and maintain the communications service for the Output Meter. The metering must be compatible with the Company's metering infrastructure, including compatibility with the Company's meter reading systems and meter communication systems. The Company will assess the charge specified in General Rule 16.4 if the Customer's communications equipment is not operational and may transfer the Customer to Standby Service rates for repeated failure to maintain the communications service.

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

Section 5 of Application Form G, which lists the Designated Technologies that are exempt from Standby Service rates, has been modified to expand the Efficient CHP exemption to up to 15 MW. Section 7 of Application Form G, which details the Efficient CHP criteria, has been modified to remove the MW capacity limit.

**Conclusion and Notice**

As directed by the Notice, the Company is making this filing ten days after issuance of the CHP Order.<sup>3</sup> Pursuant to Ordering Clause 1 of the Exemption Order, this filing is being made on no less than one day's notice, to become effective on December 8, 2015. Pursuant to Ordering Clause 2 of the Exemption Order, the Commission waived the requirement for newspaper publication of these tariff changes.

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

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

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<sup>3</sup> Because Day 10 falls on a week-end, this filing is being made on the next business day.