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September 22, 2016

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

**RE: Case 15-E-05720, Rider T – Commercial Demand Response Programs**

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 are identified in Appendix A and are filed to become effective on December 22, 2016.

**Tariff Changes Proposed**

The Company proposes program changes to Rider T – Commercial Demand Response Programs. Rider T programs are the Commercial System Relief Program (“CSRP”) and the Distribution Load Relief Program (“DLRP”). The Company proposes to: change the CSRP day-ahead Planned Event call to a day-ahead Advisory followed by a same-day Planned Event call, if needed; align the CSRP Contracted Hours for Service Classification (“SC”) 11 (“Buy-back Service”) customers to coincide with Network need, where appropriate; remove the CSRP and DLRP limitation on increasing contracted kW of Load Relief in a Network by an Aggregator or Direct Participant with a Performance Factor of less than 1; add more time for CSRP participants to correct generator permit issues; and make several clarifying changes.

Changes are described below:

- The Company added “Advisory” to the definitions applicable to CSRP and revised the definition of “Planned Event” (on Leaf 270). An Advisory of a possible Planned

Event will be given if the day-ahead forecasted load level is at least 90 percent<sup>1</sup> of the forecasted summer system-wide peak. A Planned Event may be called on not less than two hours' advance notice if an Advisory was issued at least 21 hours in advance and the Company's same-day forecasted load level, as updated throughout the day, is at least 92 percent of the forecasted summer system-wide peak. The Company also described on Leaf 275 how the notification process will incorporate Advisories. These changes are being made so that Customers can avoid having to provide Load Relief when it is not needed. (Currently, the Company provides 21 hours' advance notice of a Planned Event, and cannot cancel the Planned Event even if system conditions change such that it is no longer necessary.) This is similar to the way that the NYISO provides notifications for the Special Case Resources program.

- The Company revised the definition of "Contracted Hours" applicable to CSRP (on Leaf 270) to require Buy-back Service customers to export during the Contracted Hours established for the Network unless the Company assigns an alternate four-hour window for export. If the Company assigns an alternate four-hour window, it will notify the Direct Participant or Aggregator within 10 calendar days of receipt of the CSRP application. This change is being made because all customers, including Buy-back Service customers, should provide Load Relief for network peak shaving. If a Buy-back Service customer cannot provide Network support (e.g., if it is directly tied into a substation and not part of the Network), the Company will assign an alternative call window that coincides with the peak for the portion of the system for which the customer is providing support.
- The Company revised the definition of "Unplanned Event" (on Leaf 270) to include situations when, "in the Company's judgment, a Network needs Load Relief." An example would be where a Network, but not the system, is forecasted to peak.
- The Company clarified in Paragraph 3 of Section D.1 (on Leaf 272) that "application" means the CSRP or DLRP enrollment application.
- In the section on Applications and Terms of Service (Leaf 273), text was eliminated about Direct Participants and Aggregators not being allowed to increase the kW of contracted Load Relief for the upcoming Capability Period unless they have a Performance Factor of 1. As described on Leaf 280, existing Direct Participants and Aggregators will be assigned the prior year's Performance Factor, subject to true-up based on actual performance in the first month in which a Load Relief Period or Test Event is called. This will provide flexibility to customers who add resources to provide Load Relief (i.e., they will be paid for performance based on their performance during the current year) and will make administration easier.

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<sup>1</sup> The threshold for calling an Advisory is two-percent lower than for a Planned Event due to an average two-percent day-ahead forecasting error.

- The Company made changes to Leaf 273 and Leaf 274 regarding the use of generation under Rider T. First, the Company clarified that it accepts participation under CSRP by diesel-fired generation older than model year 2000 if a professional engineer certifies that the NOx level is no more than 2.96 lb/MWh. Second, the Company eliminated the requirement for a generator's serial number in Section D.7 (on Leaf 274), because some participants have trouble obtaining this information and the Company does not use it. Third, the Company indicated that a New York State Department of Environmental Conservation ("DEC") permit or registration is required. (The tariff currently refers to permits only.) Fourth, the Company indicated on Leaf 274 that a copy of the required DEC permit or registration may be submitted within seven days of applying for CSRP. If the permit or registration has not yet been issued by the DEC, a copy of the application to the DEC may instead be submitted, provided that a copy of the actual DEC permit or registration is submitted before commencing service under CSRP. This will allow customers to participate in CSRP if their permit or registration was not yet issued at the time of application but is issued before commencement of service.
- On Leaf 269, the Company corrected a line-spacing error that merged the definition of "Direct Participant" with that of "CBL Verification Methodology."

### **Conclusion and Notice**

The Company is filing these Tariff changes to become effective on December 22, 2016. The Company will publish notice of the proposed changes on October 3, 10, 17, and 24, 2016. Copies of this filing are being sent electronically to the active party list in Case 15-E-0570.

The Company expects to file within the next two weeks a proposal, which will include draft tariff leaves, to revise the method of cost recovery for CSRP, DLRP, and the Direct Load Control Program (referred to in common as "Dynamic Load Management" programs), so as to allocate costs to the various service classifications, as recommended in the Commission's Order Adopting Dynamic Load Management Program Changes with Modifications, issued May 23, 2016, in Case 14-E-0423, "Proceeding on Motion of the Commission to Develop Dynamic Load Management Programs."

Sincerely,

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

**Appendix A**

**PSC No. 10 - Electricity: List of Tariff Leaves Filed**

| <u>Leaf No.</u> | <u>Revision No.</u> | <u>Superseding<br/>Revision No.</u> |
|-----------------|---------------------|-------------------------------------|
| 269             | 3                   | 2                                   |
| 270             | 3                   | 2                                   |
| 272             | 3                   | 2                                   |
| 273             | 4                   | 3                                   |
| 274             | 3                   | 2                                   |
| 275             | 3                   | 2                                   |
| 280             | 6                   | 5                                   |