



Solar Energy
Industries
Association®

July 17, 2023

VIA ELECTRONIC MAIL

Hon. Michelle L. Phillips, Secretary
New York State Public Service Commission
3 Empire State Plaza
Albany, New York 12223-1350
secretary@dps.ny.gov

Re: Case 15-E-0751 – In the Matter of the Value of Distributed Energy Resources. Notice Soliciting Comments

Dear Secretary Phillips:

Advanced Energy United (United), the Alliance for Clean Energy New York (ACE NY) and the Solar Energy Industries Association (SEIA) submit for filing the attached comments in response to the April 25, 2023, Notice Soliciting Comments, in the above referenced proceeding.

Respectfully submitted,

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STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

In the Matter of the Value of Distributed) Case No. 15-E-0751
Energy Resources.)

July 17, 2023

**Comments of Advanced Energy United, the Alliance for Clean Energy New York and the Solar
Energy Industries Association on the Notice Soliciting Comments issued April 25, 2023,
regarding the Staff proposal to modify the Customer Benefit Contribution Charge**

Introduction

Advanced Energy United (United) is a national association of businesses that works to accelerate the move to 100% clean energy and electrified transportation in the U.S. Advanced energy encompasses a broad range of products and services that constitute the best available technologies for meeting our energy needs today and tomorrow. These include electric vehicles, energy efficiency, demand response, energy storage, solar, wind, hydro, nuclear, and smart grid technologies. United represents more than 100 companies in the \$238 billion U.S. advanced energy industry, which employs 3.2 million U.S. workers, including 157,000 individuals in the Empire State.

The Alliance for Clean Energy New York (ACE NY) is a member-based organization with a mission of promoting the use of clean, renewable electricity technologies and energy efficiency in New York State to increase energy diversity and security, boost economic development, improve public health, and reduce air pollution. ACE NY's diverse membership includes companies engaged in the full range of clean energy technologies as well as consultants, academic and financial institutions, and not-for-profit organizations interested in their mission.

The Solar Energy Industries Association (SEIA) is the national trade association for the United States solar and storage industries. SEIA works with its 1,000 member companies and other strategic partners to fight for policies that create jobs in every community and shape fair market rules that promote competition and the growth of reliable, low-cost solar power.

Comments

United, ACE NY and SEIA thank Staff and the Commission for the significant work done on the value of distributed energy resources (“VDER”) framework. We agree with Staff that the rules governing the Joint Utilities (“JU”) implementation of the Customer Benefit Charge (“CBC”) should be done consistently in order to provide Distributed Energy Resource (“DER”) developers with the required market certainty needed to successfully develop and implement DER projects. Specifically, for projects installed prior to January 1, 2022 (i.e., not subject to the CBC charge), and that subsequently add capacity, Staff found that some utilities were applying the CBC charge only to the incremental capacity, whereas others were applying it to the entire project. To address this, Staff has proposed that starting on September 1, 2023, existing projects that add capacity should have the CBC charge applied to the entire capacity of the expanded project. While this would indeed provide consistency, we respectfully disagree that the entire project should be subject to the CBC. Rather, we strongly recommend that only the incremental capacity be subject to the CBC. This is in line with how the CBC was initially developed and applied, in that existing projects were exempt, and only new projects installed after January 1, 2022, would be subject to the CBC charge.

This approach is also consistent with prior Commission decisions regarding the applicability of new rate designs, which typically allows for existing projects – which were developed under one set of financial and market assumptions – to be exempt from new charges and remain on existing rate designs. Moreover, in their proposal, Staff provides no reasoning as to why the entire project should be subject to the CBC, only that this would provide consistency and market certainty. Yet the same can be achieved by only subjecting the incremental portion of projects to the CBC charge. We also believe that applying the CBC to the entire project will act as a disincentive for project owners to increase capacity, and right now New York State should be encouraging as much capacity to be deployed as possible, given its aggressive clean energy goals. Maximizing the potential of existing sites is a high-value way to do that.

The Staff proposal does not directly address projects that were expanded between January 1, 2022, and September 1, 2023, but we read the proposal to imply that their treatment would be unchanged. That is, if the utility is applying the CBC to only the incremental portion that would continue to be the case, and if the utility is applying the CBC to the entire project, that would also continue to be the case. However, consistent with our recommendation above, we further recommend that all projects that expanded capacity between January 1, 2022, and September 1, 2023, only have the incremental portion subject to the CBC, including those projects that are currently having the CBC applied to the entire project.

United, ACE NY and SEIA do support the other aspects of Staff's proposal, namely that the JU's electric tariffs should be amended to specify how the CBC is applied to DER projects expanded after September 1, 2023, as this will provide the transparency needed to publicly ensure that each individual utility is properly and consistently applying the CBC as directed by the Commission. We also support the Staff recommendation that the JU be required to include the calculation of the CBC charge, which should include the stated rate, multiplied by the customer's specific project size (or in the case of legacy projects expanded after January 1, 2022, the applicable incremental project size), directly on the utility's bill. That said, given our recommendations above, we would simply state that Staff's recommendations regarding tariffs and bills be consistently applied to all projects subject to the CBC.

Conclusion

We appreciate the Commission's attention to this matter and respectfully request that our recommended changes to the Staff proposal be adopted by the Commission.