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January 11, 2019

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-0751, Hybrid Energy Storage Tariff

Dear Secretary Burgess:

Orange and Rockland Utilities, Inc. (the "Company" or "O&R") is filing with the Public Service Commission (the "Commission") amendments to its Schedule for Electric Service, P.S.C. No. 3 – ELECTRICITY (the "Electric Tariff").

Appendix A identifies the Electric Tariff leaves being filed to become effective on February 1, 2019.

#### Reason for Filing

This filing is made pursuant to the Commission's <u>Order Implementing Hybrid Energy Storage System Tariff</u>, issued and effective December 13, 2018, (the "Order") in Case 15-E-0751. The Order (at p. 13) directed each utility to file tariff amendments implementing value stack compensation for hybrid facilities.

#### **Tariff Changes**

Pursuant to the Order, the Company has modified the following sections of the Electric Tariff as described below.

 The Applicability Section of Rider N has been amended to: (1) add the definition Hybrid Facility as a facility that co-locates, on the same electric account, an Electric Energy Storage system with a Rider N-eligible electric generator that receives compensation under the Value Stack Tariff<sup>1</sup> and has a maximum aggregate instantaneous export of no more than 5 MW; and (2) expand the applicability of Rider N to a Hybrid Facility.

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<sup>&</sup>lt;sup>1</sup> As stated in the Order (p. 3), Mass Market on-site projects paired with an Electric Energy Storage system are eligible for Phase One Net Energy Metering ("NEM") under the same terms as generation-only projects. The Company has defined Hybrid Facility as a project that receives Value Stack Tariff compensation; therefore, the tariff changes proposed do not change the compensation for Phase One NEM Mass Market on-site projects paired with an Electric Energy Storage system.

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- The text contained in Appendix A of the Order has been inserted into the Billing –
  Value Stack Tariff section of Rider N with updated section references specific to the
  Company's Electric Tariff<sup>2</sup> and additional edits as described below.
- The Company has amended the Metering Section of Rider N to require that the customer be responsible for costs of additional metering and telemetry required for Hybrid Facilities.

The Company has made additional changes to the Electric Tariff to incorporate the requirements outlined in the Commission's <u>Order on Value Stack Eligibility Expansion and Other Matters</u>, issued and effective September 12, 2018, (the "Expansion Order") in Cases 15-E-0751 and 15-E-0082 as they are applicable to Hybrid Facilities. Since Hybrid Facilities are newly eligible for the Value Stack Tariff, the provisions of the Expansion Order will apply.

- The Interconnection and Other Technical Requirements Section of Rider N has been amended to state that customers with Hybrid Facilities will be subject to Standby Service and Standby Service Rates, as applicable.<sup>3</sup>
- The requirement of the Billing Value Stack Tariff Section of Rider N and General Information Section No. 15.3 that Mandatory Day-Ahead Hourly Pricing be applicable to full service customers with Stand-alone Electric Energy Storage technology with a nameplate rating or inverter capability that is more than 115% of the customer's load (excluding loads directly related to or necessary to support the Electric Energy Storage system) served under the Value Stack Tariff was expanded to include Hybrid Facilities.

#### **Conclusion and Notice**

The Company is filing these changes to the Electric Tariff to become effective on February 1, 2019.<sup>4</sup> Pursuant to Ordering Clause 2 of the Order, the Commission waived the requirements for newspaper publication.

Very truly yours,

/s/

William A. Atzl, Jr. Director – Rate Engineering

<sup>&</sup>lt;sup>2</sup> The Company has changed the name of option (2)(c) of Appendix A from "Storage Export Netting Configuration" to "Storage Import Netting Configuration" to properly reflect the stated configuration.

<sup>&</sup>lt;sup>3</sup> As outlined in the Expansion Order, the provisions of Buyback Service would also be applicable to such Hybrid Facilities.

<sup>&</sup>lt;sup>4</sup> Ordering Clause 1 of the Order directed that the changes should be filed on no less than five days' notice to become effective on January 1, 2019. On December 21, 2018, the Commission granted the request of Central Hudson Gas & Electric Corporation, Consolidated Edison Company of New York, Inc., Niagara Mohawk Power Corporation d/b/a National Grid, New York State Electric & Gas Corporation, O&R, and Rochester Gas and Electric Corporation to file their tariff changes on or before January 11, 2019. The Commission stated such filings should become effective on February 1, 2019.

## Appendix A

# ORANGE AND ROCKLAND UTILITIES, INC.

## PSC No. 3 - ELECTRICITY: List of Revised Tariff Leaves

		<u>Superseding</u>			<u>Superseding</u>
Leaf No.	Revision No.	Revision No.	Leaf No.	Revision No.	Revision No.
177	3	2	185.11	1	0
180	10	9	185.12	0	
180.1	11	10	185.13	0	
180.1.1	0		188.1	1	0
181.6	1	0	218	5	4
185.10	2	1			