



Consolidated Edison Company
of New York, Inc.
4 Irving Place
New York NY 10003
www.conEd.com

April 11, 2019

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

**RE: Case 18-E-0130, In the Matter of Energy Storage Deployment
Program.**

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 “Electric Tariff”), applicable to its customers in the City of New York and the County of Westchester. The Company is also filing amendments to its Schedule for PASNY Delivery Service, P.S.C. No. 12 – Electricity (the “PASNY Tariff”),¹ applicable to delivery by the Company of power and associated energy to Authority Public Customers under the PASNY Tariff.

The revised Electric and PASNY Tariff Leaves identified below are filed to become effective on April 12, 2019:

<u>Tariff</u>	<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding No.</u>
Electric	343.1	9	7
Electric	343.2	0	
PASNY	26.3	4	2

¹ This schedule is also titled, “Delivery Service Rate Schedule Implementing and Part of the Service Agreement Between the Power Authority of the State of New York (“PASNY” or “NYPA”) and Consolidated Edison Company of New York, Inc. (the “Company”), dated March 10, 1989, for the Delivery by the Company of Power and Associated Energy to Authority Public Customers.”

Reason for Filing

This filing is being made pursuant to the Commission's *Order Establishing Energy Storage Goal and Deployment Policy*, issued and effective December 13, 2018, in Case 18-E-0130 (the "Order"). The Order required the Company to file tariff amendments to effectuate cost recovery of the amortized contract costs for the procurement of at least 300 MW of scheduling and dispatch rights from qualified energy storage systems to be operational by December 31, 2022. These costs are to be recovered in the same manner that Non-Wires Alternatives costs are recovered.

Tariff Changes

As detailed in the Implementation Plan² filed by the Company on February 11, 2019, Non-Wires Alternatives costs are currently recovered under: (1) the Electric Tariff through the Monthly Adjustment Clause (the "MAC") on a per kWh basis; and (2) the PASNY Tariff as a set monthly dollar amount. In the Implementation Plan, the Company proposed that all storage procurement costs, which may include implementation costs, incremental costs and carrying charges, be collected from Customers in the same way that Non Wires Alternatives costs, other than those collected through base rates, are recovered. Therefore, the Company has amended General Information Section 26.1 of the Electric Tariff to add a MAC component to recover all costs related to storage procurement. The Company has also added a new component, "Energy Storage Program Cost Recovery" to Section (H) – Other Charges and Adjustments of the "Additional Delivery Charges and Adjustments" section of the PASNY Tariff.³

Additionally, any annual wholesale revenues exceeding the contract costs will be shared with Customers and shareholders based on 70 and 30 percent, respectively, as authorized by the Order and as discussed in the Implementation Plan. Please note that, although the Company's Implementation Plan suggested that actual annual wholesale market revenues minus charging costs, NYISO fees, and other related costs would be credited to customers via surcharges such as the MAC, after further consideration the Company proposes here to include all market revenues in a deferral until included in base rates in a subsequent rate case.

² Case 18-E-0130, In the Matter of Energy Storage Deployment Program, Implementation Plan of Consolidated Edison Company of New York, Inc. and Orange and Rockland Utilities, Inc. for a Competitive Direct Procurement of Scheduling and Dispatch Rights from Qualified Energy Storage Systems (filed February 11, 2019) ("Implementation Plan").

³ Costs will be collected under the PASNY Tariff based on the PASNY Allocation (i.e., the ratio of forecasted PASNY Rate Year Delivery Revenues to total Rate Year Delivery Revenues under both the PASNY Tariff and Electric Tariff).

Conclusion and Notice

As directed by Ordering Clause 5 of the Order, the Company is filing changes to the Electric Tariff and PASNY Tariff on not less than one day's notice to become effective on April 12, 2019. Pursuant to Ordering Clause 15 of the Order, the Commission waived the requirement for newspaper publication of these changes.

Sincerely,

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