



Orange and Rockland Utilities, Inc.
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November 16, 2020

Honorable Michelle L. Phillips
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 Phillips:

Orange and Rockland Utilities, Inc. ("O&R" or the "Company") 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").

The tariff amendments are issued with an effective date of December 1, 2020. The specific Electric Tariff leaves and statement being filed are identified in Appendix A.

Reason for Filing

This filing is made pursuant to the Commission's *Order Establishing Term-Dynamic Load Management and Auto-Dynamic Load Management Program Procurements and Associated Cost-Recovery*, in Cases 18-E-0130 et al. issued September 17, 2020 (the "Order"). The Order directed the Company to file tariff amendments detailing the two Dynamic Load Management ("DLM") Programs, the Term- DLM program and the Auto-DLM program, and associated cost allocation and cost recovery mechanisms.

Tariff Changes

Pursuant to the Order, the Company created a new rider, Rider P, in the Electric Tariff to establish the Term- and Auto-DLM programs. The Term-DLM program is designed for peak reduction and can be called during fixed four-hour call windows aligned with days where the day-ahead load forecast arises above certain thresholds. The Auto-DLM program is designed for both peak reduction and for reliability of the electric system and can be called with a ten-minute notice in response to emergencies that may impact reliability. Rider P includes the following provisions:

- Participants enrolling under Rider P must enter into a Program Agreement, which is awarded by the Company through an open, pay-as-bid, Request for Proposal solicitation process. At the time of bid, the applicant must indicate the kilowatt quantity of the

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proposed load relief, the price per kilowatt, and the corresponding program (Term- or Auto-DLM).

- Participation in the Term-and Auto-DLM programs is limited to electric generating equipment meeting certain criteria. Participation by diesel-fired generating equipment is prohibited.
- For Term-DLM Events, the Company will send an Advisory at least 21 hours before and provide notice no less than two hours in advance. For Auto-DLM Events, the Company will provide notice no less than ten minutes in advance.
- Reservation Payments will be provided to Term- and Auto-DLM participants after each Capability Period. Reservation Payments will be determined based upon the applicable Reservation Payment Rate, the participant's Portfolio Quantity, and the Performance Factor. The Company will also make Performance Payments, as applicable. Details regarding the calculation of these payments are described in the Program Agreement.
- Participants have the ability to withdraw from the Term- and Auto-DLM programs by paying an Early Exit Fee prior to the first Capability Period of the Program Agreement. The Company may offer additional opportunities for participants to exercise such early exit rights or require payment of the Early Exit Fee in the event a participant is unable to meet minimum performance standards.
- Customers cannot concurrently participate in both the Term- and Auto-DLM programs.
- Restrictions on other Electric Tariff provisions have been included for customers who also participate in Rider P. These restrictions include: (1) customers that receive compensation under the Value Stack Tariff of Rider N are ineligible to receive Demand Reduction Value and Locational System Relief Value compensation for the duration of their participation under Rider P; (2) customers that receive compensation under Grandfathered Net Metering or Phase One Net Energy Metering under Rider N are ineligible to participate in Rider P; (3) customers participating in Rider E – Commercial System Relief Program ("CSRP") and Rider F – Distribution Load Relief Program ("DLRP") cannot participate in Rider P with one exception: Term-DLM program customers can participate in the DLRP; (4) enrollment under Rider P is not available to customers participating in Rider D, the Direct Load Control ("DLC") Program, and Rider J, Smart Home Rate. These restrictions have also been included in Riders D, F, N, and J.

Consistent with the treatment of Rider P, the Company has made the following change to General Information Section No. 8 of the Electric Tariff:

- Customers are allowed to use emergency generating facilities to participate in Rider P.

The Order requires the Company to recover the costs of the Term- and Auto-DLM programs in the same manner as the CSRP. Accordingly, the Company has made the following changes:

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- Term- and Auto-DLM program cost recovery has been added to the existing DLM Surcharge provisions in the Electric Tariff, which currently recover costs associated with the CSRP, DLRP, and DLC Program.
 - Term- and Auto-DLM program costs will be allocated based on the Company's transmission demand (D01) allocator, the same allocator that is currently being used to allocate CSRP Program costs.
 - Term-DLM and Auto-DLM programs will be reconciled together with the CSRP component of the DLM Surcharge and separately from the DLRP and the DLC Program.
- The Company is filing the Statement of DLM Surcharge – DLM Statement No. 4 to the Electric Tariff, to include the recovery of the Term- and Auto-DLM programs effective December 1, 2020. The forecasted program costs for the Term- and Auto-DLM programs are \$20,000 for the period December 1, 2020 through April 30, 2021.

Conclusion and Notice

Pursuant to Ordering Clause 5 of the Order, the Company is filing these changes by November 16, 2020, with an effective date of December 1, 2020. Pursuant to Ordering Clause 7 of the Order, the Commission waived the requirement for newspaper publication of these changes.

Any questions regarding this filing can be directed to Cheryl Ruggiero at (212) 460-3189.

Very truly yours,

/s/

William A. Atzl, Jr.
Director – Rate Engineering

Appendix A

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

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
4	13	10
5	7	5
114	2	1
155.2	4	3
156	6	4
157	5	3
157.10	1	0
167	5	4
180.3.1	2	1
180.3.2	0	
185.6.3	2	0
185.7	5	3
185.8	5	3
189.3	0	
189.4	0	
189.5	0	
189.6	0	
189.7	0	
189.8	0	
189.9	0	
189.10	0	
249	7	5
249.1	2	0

Statement

Statement of Dynamic Load Management Surcharge

Statement Type

DLM

Statement No.

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