



Lori A. Cole
Manager - Regulatory & Tariffs

August 31, 2020

VIA ELECTRONIC FILING

Honorable Michelle L. Phillips
Secretary
New York State Public Service Commission
Three Empire State Plaza
Albany, NY 12223-1350

Re: Case 20-E-0376 – In the Matter of the 2019 Amendment to the Public Authorities Law, Section, 1005 (C. 58, L. 2019), Relating to Expanded Authority for the New York Power Authority to Contribute to Existing Economic Development Customers and Serve New Governmental Entities.

Dear Secretary Phillips:

The enclosed tariff leaves, issued by New York State Electric & Gas Corporation (“NYSEG”) and Rochester Gas and Electric Corporation (“RG&E”) (together the “Companies”) are transmitted for filing in compliance with the New York State Public Service Commission’s (the “Commission”) Notice of Tariff Filings Due to Amendment of the Public Authorities Law, issued July 29, 2020 (the “Notice”). This filing is also made in accordance with Appendix 7-H (electronic tariff filing system) of the New York State Public Service Commission’s (“PSC” or “Commission”) Codes, Rules and Regulations (16 NYCRR Appendix 7-H). The tariff leaves on the attached page will become effective January 1, 2021.

Background and Overview

This filing is made pursuant to the Commission’s Notice of Tariff Filings due to Amendment of the Public Authorities Law in Case 20-E-0376 issued July 29, 2020 (the “Notice”). The Notice directed each utility to file tariff modifications as necessary to effectuate amendments made to the Public Authorities Law (“PAL”) §1005. More specifically, PAL §1005, Subsection 27, authorizes the New York Power Authority (“NYPA”) to address the energy-related needs of certain customers. NYPA is authorized to supply power and energy procured from competitive market sources or supply renewable power and energy procured from competitive market sources to any: (i) authority customer, (ii) public entity; or (iii) Community Choice Aggregation (“CCA”) community through the supply of such products through an energy services company or other entity that is authorized by the Commission to procure and sell energy products to participants of a CCA program.

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Tariff Revisions

The Companies propose to establish a new Rule within the General Information section of its tariff schedules, New York Power Authority (“NYPA”) Program to Contribute to Existing Economic Development Customers and Serve New Governmental Entities (the “NYPA Program”), to allow NYPA to supply power and energy to an existing customer with a NYPA allocation, a public entity, or a Community Choice Aggregation community as defined in subdivisions 27.(g) and 17.(b) respectively¹.

A customer that takes service under the new provision will have their electric power supply provided by NYPA pursuant to a customer’s contract with NYPA. If a customer chooses to no longer take service under the NYPA Program, the customer may choose to take electric power supply from: (a) an energy service company, or (b) the Company.

A customer that takes service under the NYPA Program will be billed for delivery service using the delivery rates as provided under the ESCO Supply Service for the customer’s applicable service classification². Additionally, the Transition Charge, Revenue Decoupling Mechanism, (RDM) Adjustment, Rate Adjustment Mechanism, System Benefits Charge will apply. Customers participating in the NYPA program will continue to be eligible to participate in energy efficiency programs offered by the Companies or by the New York State Energy Research and Development Authority.

An existing customer with a NYPA allocation pursuant to ReCharge New York (RNY) Program³ or the Western New York (“WNY”) NYPA Power Program⁴ shall be permitted to select NYPA to provide the remainder of their electric power supply under the NYPA Program.

Customers receiving allocations of power and energy from NYPA under the RNY Program or NYSEG’s WNY Program will continue to receive exemptions from certain delivery-related surcharges for their NYPA allocations.⁵ Under the new NYPA Program, as proposed herein, such customers will be eligible to receive NYPA supply for the non-NYPA portion of their loads. However, the delivery surcharge exemptions applicable to a customer’s NYPA load will not be applicable to the portion of the load service under the new NYPA Program.

¹ Because PAL §1005, subdivision 27.(a), does not authorize NYPA to act as an energy supply company or administrator for CCA programs, no tariff amendments are necessary to implement the CCA-related changes to PAL §1005.

² The Companies recognize that the NYPA is not an Energy Services Company, however, the Companies are able to utilize existing rate configurations under the ESCO Supply Service to bill customers that take service under this program.

³ The RNY Program is described in General Information Rule No. 11 of P.S.C. No. 120 for NYSEG and in General Information Rule No. 4.L.5 of P.S.C. No. 19 for RG&E.

⁴ The WNY Program is described in General Information Rule No. 12 of NYSEG’s tariff schedule, P.S.C. No. 120.

⁵ Case 11-E-0176 – In the Matter of the Commission’s Implementation of Certain Provisions of the Recharge New York Power Program Act, Order Directing Certain Utilities to Submit Tariff Amendments, issued September 19, 2011 (pp. 13-14). The Commission approved delivery service rates that exclude the SBC, RPS and EEPS surcharges and the RDM Adjustment for the RNY portion of customers’ loads.

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The Commission should not authorize delivery surcharge exemptions to authority customers and public entities under the new NYPA Program for the following reasons:

Unlike the RNY Program's enabling legislation, the amendments to PAL §1005 do not specify that the new supply options are to be paired with delivery charge discounts or surcharge exemptions. The RNY Program was established pursuant to Economic Development Law §188-a, which:

- included specific criteria that must be met for customers to be granted allocations under the RNY Program;⁶ and
- required NYPA to work cooperatively with the Department of Public Service Staff, to recommend to the Commission discounted rates for the delivery of RNY power allocations.⁷

The amendments to PAL §1005 expanding NYPA's authority to provide electric power supply to authority customers and public entities do not contain such requirements.

The Notice does not mention any requirement for delivery surcharge exemptions.

Authorizing delivery surcharge exemptions for authority customers and public entities under the NYPA Program would provide NYPA with an unwarranted and unjustified competitive advantage over other energy services companies (who would remain subject to these delivery surcharges). This result is particularly inappropriate given, as noted above, the amendments to PAL §1005 are silent regarding the expansion of delivery surcharge exemptions. Finally, expanded exemptions for customers that take service under this Program would come at the direct expense of the Companies' other customers, who would be required to make up the associated revenue shortfall.

NYPA shall provide at least 30 days' prior written notice to the Company for the initial delivery or termination of electric power supply service under the NYPA Program for each customer, unless otherwise agreed upon by NYPA and the Company. Service will be initiated or terminated as of the Customer's first scheduled meter reading date on or after the end of such notice period. Consolidated Billing is not available to customers served under this Program.

Implementation Concerns

The Companies note that the tariff leaves are filed as directed by the Notice, and will be subject to review by Department of Public Service Staff and comment under the State Administrative

⁶ Economic Development Law §188-a (c).

⁷ Economic Development Law §188-a (d).

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Procedures Act. As such, they may be modified by the Commission based on those reviews and comments.

Any modifications to the tariff provisions described in this filing will require further analysis to determine the effort, cost, and feasibility of required changes to the Companies' billing system. Therefore, the Companies request that consideration be given in the time frame between any Commission-directed changes to the tariff leaves filed today and the commencement of billing under the NYPA Program. For example, while the tariff leaves can become effective on January 1, 2021, as required by the Notice, billing under this Program may commence at a later date due to the need for billing system modifications.

In addition, the Companies plan to enter into an agreement with NYPA to govern the implementation of service under this Rule.

Newspaper Publication

The Companies request that the Commission waive newspaper publication in accordance with Public Service Law 66(12)(b) and 16 NYCRR 720-8.1 as this Program is for a limited population of the Companies customers and presumably NYPA would contact eligible customers.

Company Contacts

If there are any questions concerning this filing, please call Kathy Grande at (585)771-4514 or me at (585)484-6810.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lori A. Cole".

Lori A. Cole

Enclosures

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P.S.C. No. 120 – Electric, Schedule for Electric Service

Leaf No. 2.1, Revision 26
Leaf No. 27.1, Revision 10
Leaf No. 28, Revision 13
Leaf No. 74, Revision 7
Leaf No. 108, Revision 11
Leaf No. 117.52, Revision 1
Leaf No. 153.1, Revision 6
Leaf No. 181.1, Revision 16
Leaf No. 210.1, Revision 0
Leaf No. 255.1, Revision 0
Leaf No. 274.2, Revision 0

P.S.C. No. 19 – Electric, Schedule for Electric Service

Leaf No. 2, Revision 27
Leaf No. 4.3, Revision 5
Leaf No. 85.4, Revision 9
Leaf No. 160.8, Revision 6
Leaf No. 160.25, Revision 11
Leaf No. 160.40, Revision 1
Leaf No. 165.2, Revision 5
Leaf No. 173.2, Revision 5
Leaf No. 193.4, Revision 5
Leaf No. 204.2, Revision 6
Leaf No. 214.1.1, Revision 4

P.S.C. No. 121 – Electric, Schedule for Electric Service

Leaf No. 2, Revision 22
Leaf No. 14.4, Revision 1
Leaf No. 25, Revision 5
Leaf No. 38, Revision 7
Leaf No. 61.3, Revision 3
Leaf No. 67, Revision 3

P.S.C. No. 18 – Electric, Schedule for Electric Service

Leaf No. 2, Revision 13
Leaf No. 3.1, Revision 3
Leaf No. 24.5, Revision 2
Leaf No. 36.2, Revision 3
Leaf No. 44, Revision 2
Leaf No. 46, Revision 2