



Consolidated Edison Company
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March 16, 2017

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

**RE: Case 15-E-0302 – Proceeding on Motion of the Commission to
Implement a Large-Scale Renewable Program and a Clean Energy
Standard**

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 New York Power Authority (“NYPA” or “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.

Appendix A identifies the Electric Tariff and PASNY Tariff Leaves and Statements being filed to become effective on April 1, 2017.

Reason for Filing

The Commission, in its Order Directing Tariff Amendments, issued and effective February 22, 2017 (“Implementation Order”) directed that each utility file tariff amendments to recover Clean Energy Standard (“CES”) costs. As required by its Order

¹ The PASNY Tariff is titled, “Delivery Service Rate Schedule Implementing and Part of the Service Agreement Between the Power Authority of the State of New York (PASNY) and the Consolidated Edison Company of New York, Inc. (the Company) dated March 10, 1989.”

Adopting a Clean Energy Standard (“CES Order”), issued August 1, 2016, all Load Serving Entities in New York must procure Renewable Energy Credits (“RECs”) and Zero Emissions Credits (“ZECs”) in a defined amount proportionate to their annual full service electricity supply sales each year and pay Alternative Compliance Payments (“ACPs”) for any shortages of RECs in its compliance account at the end of a CES compliance year. The CES Order also directed each electric utility to collect costs associated with contracts signed by the New York State Energy Research and Development Authority (“NYSERDA”) to maintain certain renewable energy facilities (“Tier 2 Maintenance Contracts”) and any funds required by NYSERDA to meet financial needs that result from its CES activities (“Backstop Charges”) from all customers.

Tariff Changes

As approved by the Implementation Order, the Company will collect costs as follows:

- Pursuant to new General Rule 25.4, “Clean Energy Standard Supply Surcharge” (“CESS”), costs incurred for the purchase of RECs/ACPs and ZECs will be collected from all full-service customers, on a cents per-kilowatthour basis, through the Statement of CESS to the Electric Tariff. The Statement of CESS (“Statement”) will set forth separate charges for the two components.

Each component will collect the estimated costs for that component for the 12-month period beginning April 1 and the difference, excluding Uncollectible-bill Expense, between the actual costs and amounts recovered for that component for prior periods. The REC component on the initial Statement will also collect costs for the period January 1 through March 31, 2017.

An adjustment will be made to the total charge for each component to reflect Uncollectible-bill Expense. Uncollectible-bill Expense will be determined using the system Uncollectible Bill Factor identified in General Rule 25.3.

The initial Statement is applicable to bills with a “from” date on or after April 1, 2017. Subsequent Statements will be filed with the Commission on an annual basis, to become effective April 1, not less than three days before their effective date and will be posted to the Company’s website on or before that date.

- Pursuant to new General Rule 26.5, “Clean Energy Standard Delivery Surcharge” (“CESD”), costs incurred for Tier 2 Maintenance Contracts and Backstop Charges, less amounts allocated for collection under the PASNY Tariff, will be recovered from all delivery-service customers (except for customers served under SC 11). A portion of the total costs will be collected under the PASNY Tariff based on the PASNY

Allocation² (*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) through a new “Clean Energy Standard Delivery Surcharge.”

The Statement of CES Delivery Surcharge (“CESD”) to the Electric Tariff will set forth separate charges for the two components: Tier 2 Maintenance Contracts and Backstop charges. The Statement of Other Charges and Adjustments (“NYPA OTH Statement”) to the PASNY Tariff will set forth separate charges for the two components of the Clean Energy Standard Delivery Surcharge.

The charge for Tier 2 Maintenance Contracts and the charge for Backstop Charges will be separately determined under each Tariff. Each Tariff will collect for each component: (a) the portion of total estimated costs allocated for collection under that Tariff over the collection period,³ and (b) the difference, excluding Uncollectible-bill Expense, between the actual costs and amounts recovered for prior periods. The charge for each component under the respective Tariff will be adjusted to reflect Uncollectible-bill Expense, which will be determined using the system Uncollectible Bill Factor identified in General Rule 26.1.2(b) of the Electric Tariff.

The initial Statement of CESD is applicable to bills with a “from” date on or after April 1, 2017. Subsequent Statements will be filed with the Commission to become effective not less than 15 days before their effective date and will be posted to the Company’s website on or before that date.

- Leaf 459 contains text indicating that Recharge New York (“RNY”) customers pay certain charges (*i.e.*, the Market Supply Charge, Adjustment Factors – Market Supply Charge, and Merchant Function Charge) only for RNY power and energy supplied by the Company. The Company replaced the itemized list, which would now include the CESS, and instead indicated that such power and energy is subject to the supply and supply-related charges and adjustments specified in General Rule 25.

² Estimated costs to be recovered under the PASNY Tariff will be equal to the total costs multiplied by the PASNY Allocation. When actual costs are known, those costs will also be allocated to the PASNY Tariff equal to the total costs multiplied by the PASNY Allocation. The Company will separately determine the difference between actual costs allocated for collection under each Tariff and the amounts recovered under that Tariff for prior periods.

³ Costs for Tier 2 Maintenance Contracts will be estimated for each twelve-month period beginning April 1. The recovery of Backstop Charges will be set for a period of one-to-twelve months depending on the size of the costs.

Conclusion and Notice

As directed by Ordering Clause 1 of the Implementation Order, the Company is filing changes to the Electric Tariff and PASNY Tariff to become effective on April 1, 2017. The Company is also filing CESS Statement No. 1 and CESD Statement 1 to the Electric Tariff.⁴

Pursuant to Ordering Clause 2 of the Implementation Order, the Commission has waived the requirement for newspaper publication.

Sincerely,

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

⁴ The NYPA OTH Statement to the PASNY Tariff will be filed with the Commission, as regularly scheduled, i.e., three days before the Statement is next scheduled for change. The OTH Statement that becomes effective April 1, 2017, will show the two CESD cost components, which will both be set at \$0.00.

Appendix A

List of Revised Leaves and Statement Numbers**P.S.C. No. 10 – Electricity**

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
7	4	3
328	4	3
336.1	0	
337	7	6
356	5	4
459	6	5

<u>Statement</u>	<u>Statement Type</u>	<u>Statement No.</u>
Statement of Clean Energy Standard Supply Surcharge	CESS	1
Statement of Clean Energy Standard Delivery Surcharge	CESD	1

P.S.C. No. 12 – Electricity

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding Revision No.</u>
26.2	1	0
26.3	0	