STATE OF NEW YORK

PUBLIC SERVICE COMMISSION

Proceeding on Motion of the Commission in Regard To Reforming the Energy Vision	**Case 14-M-0101**
Proceeding on Motion of the Commission to Consider a Clean Energy Fund	**Case 14-M-0094**

Natural Resources Defense Council Response to the "Developing the REV Market in New York: DPS Staff Straw Proposal on Track One Issues"

Dated: September 22, 2014

Natural Resources Defense Council

Response to New York State Department of Public Service Staff

"Developing the REV Market in New York: DPS Staff Straw Proposal on Track One Issues"

Cases 14-M-0101 and 14-M-0094

September 22, 2014

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I. Introduction

The Natural Resource Defense Council ("NRDC") appreciates this opportunity to comment on the New York Public Service Commission ("Commission") Department of Public Service Staff ("Staff") "Developing the REV Market in New York: DPS Staff Straw Proposal on Track One Issues" filed on August 22, 2014 ("Straw") in Case 14-M-0101, Reforming the Energy Vision ("REV").

NRDC is an international nonprofit environmental organization, founded and headquartered in New York State. NRDC has more than 1.4 million members and online activists, including more than 110,000 in New York. Since our founding in 1970, our lawyers, scientists, and other environmental specialists have worked to protect the world's natural resources, public health, and the environment. NRDC's top institutional priority is curbing global warming emissions and building the clean energy future—a priority that can only be realized through the bold leadership of states such as New York.

We note that NRDC signed onto two sets of coalition comments[1] in response to the Commission's June 4, 2014 REV "Ruling Posing Questions On Selected Policy Issues and Potential Outcomes" ("June Policy Ruling"). NRDC now files these individual Straw comments and "endorses" the Straw comments of Pace and the Straw coalition comments of Energy Efficiency for All.

[1] NRDC did not file an individual response to the June Policy Ruling but instead signed two sets of coalition comments, specifically: (1) the Energy Efficiency for All Coalition consisting of NRDC, Pace Energy and Climate Center ("Pace"), WE ACT for Environmental Justice , Enterprise Community Partners , the Association for Energy Affordability ("AEA"), the Green and Healthy Homes Initiative, and the Center for Working Families on July 17, 2014 and (2) joint NGO comments with the Alliance for Clean Energy New York, AEA, the Clean Coalition, the Columbia University Center for Climate Change Law, Environmental Advocates of New York, the Environmental Defense Fund, Pace, the New York Public Interest Research Group and the Sierra Club on July 18, 2014 (the "July 18 Filing.") The July 18 Filing parties continue to work together and share many common principles.

Staff has clearly invested a great deal of thought and time listening to and reviewing the vast amount of stakeholder feedback it has received since the proceeding was launched earlier this year, and is to be commended for its efforts. The following comments include NRDC's responses to some of the specific questions posed by Staff, as well as our overarching priorities - and some concerns - to be considered as the state moves forward with the REV, including Track 2 issues,[2] and the inextricably linked Case 14-M-0094, "Proceeding on Motion of the Commission to Consider a Clean Energy Fund," ("CEF") proceeding.

No matter what outcomes result from the CEF and REV Track I and Track II deliberations, the Commission must avoid any policy frameworks that revert to a commodity-based business model in which utilities rely on volumetric sales for revenue. New York has and continues to be a leader on revenue decoupling mechanisms, which all utilities have adopted in accordance with the Commission's 2007 Order.[3] NRDC urges Staff and the Commission to build on decoupling as an essential first building block – breaking the link between revenues and sales - as it deliberates these issues. Decoupling is a fundamental tool that is used to drive utility investment in a manner that is in the consumer and environmental interest.

In these comments to the Straw, NRDC asks the Commission to (1) direct each utility to assess both the potential for and impacts of efficient transportation electrification in their next rate case, (2) facilitate the connection between the retail and wholesale markets by requiring resource coordination and transparency for DER services at both levels, (3) supports increased investment and sector designation for affordable multifamily buildings (4) advocates for the inclusion of a broad cost benefit framework that does not include the RIM, (5) provides guidance

[2] New York Public Service Commission. Order Instituting Proceeding. April 25, 2014, p. 6
[3] New York Public Service Commission. Order requiring proposals for Revenue Decoupling Mechanism (electric and gas delivery rates). April 20, 2007.

and requests more detail on both ETIPs and plans for the Main Tier, (6) examines factors to consider for market power mitigation and (7) urges the Department of Environmental Conservation ("DEC") to finalize the rule regulating distributed generation resources.

D. Support for a Track One Policy Decision by the Commission

2. Electric Vehicles as Drivers of Change

Efficient electrification of the transportation system can help realize all six objectives of the REV proceeding, and as the Straw noted, is a "driver" for the REV.[4] Studies have shown that once people plug-in their vehicle, they become much more energy-aware, enhancing customer knowledge and awareness of tools that will support more effective management of their total energy bill. NRDC recognizes that implementation of REV will evolve in ways that may be entirely unanticipated today, especially as new technologies emerge and markets mature. So we generally concur with Staff's statement that beyond near term actions, "a general rule would not be advisable at this time" regarding what additional elements the Commission should require a utility to include in a future major electric rate case filing.

However, we believe that the Commission should embrace an important exemption to this approach and direct each utility to include in future major rate cases an assessment of the potential for and impact of efficient transportation electrification upon its implementation of REV.

Efficient transportation electrification could also improve system wide efficiency and help mitigate the potential adverse impact of declining electric utility sales on consumers. Researchers at the Pacific Northwest National Laboratory have concluded that widespread PEV

[4] Staff Straw p. 8

charging done right could reduce the marginal cost of energy by over 20%.[5] Efficient transportation electrification could demonstrate a productive role for utilities in managing a "smart grid" in a manner that does not leave the responsibility of paying for it with those who are least able to do so.

Leveraging this growing investment through managed charging, vehicle-to-grid technology, and battery-second life programs could also be an effective pathway under REV for integrating levels of variable renewable generation which will be needed to meet long-term climate goals.

Environmentally, numerous independent studies have all concluded that meeting long-term carbon emission reduction targets will require widespread electrification of our transportation system.[6]

While PEVs represent a small fraction of New York's vehicle fleet today, the market is expanding rapidly with potentially dramatic implications for both utilities and consumers, including implementation of REV. Now is the time for the State to develop policies and programs to ensure that the State integrates this load in a manner that avoids unnecessary costs, enhances environmental quality, and advances the implementation of REV—policies and market products to accelerate PEV penetration must be integral to DSP plans and Commission directives, not be siloed as a DER of the distant future.

[5] Michael Kintner-Meyer Kevin Schneider Robert Pratt, "Impacts Assessment of Plug-in Hybrid Vehicles on Electric Utilities and Regional U.S. Power Grids", November, 2007.

[6] *See* California Council on Science and Technology, "California's Energy Future", May 2011; Williams et al., "The Technology Path to Deep Greenhouse Gas Emissions Cuts by 2050: The Pivotal Role of Electricity", Science, January, 2012; internal NRDC analysis; Joshua Cunningham (Air Resources Board), "Achieving an 80% GHG Reduction by 2050 in California's Passenger Vehicle Fleet", SAE International Journal of Passenger Cars, December, 2010; Silver, Fred, and Brotherton, Tom. (CalHEAT). Research and Market Transformation Roadmapto 2020 for Medium- and Heavy-Duty Trucks. California Energy Commission.

III. Enabling New Roles for Key Market Participants.

B. Customer Engagement.

NRDC believes that all New Yorkers should have the opportunity to participate in the new Distributed System Platform (DSP) marketplace and the State's new energy economy. Staff and the Commission have correctly recognized that low-income customers will likely face the greatest barriers to tapping into emerging opportunities presented by new REV paradigm. NRDC recommends that the Commission require NYSERDA, and the utility's implementation plans, to focus on, and invest in, the varying needs across sectors. In doing so, we ask the Commission to expand its view of customer segments that require longer term investment to include underserved and hard to reach markets.

NRDC asks the Commission to place special emphasis on increasing utility investment in affordable multifamily housing and scaling energy efficiency in the sector. This is particularly important in light of New York City's plan to reach an 80x50 goal by charting a path towards a 35% reduction in building emission in the next decade (the "NYC Plan").[7] The Plan reports that the "multifamily sector represents the greatest potential opportunity for citywide GHG reductions, due to its relative size and distribution of energy use."[8]

NRDC commends Staff for, in the Straw, noting that "[t]he intent of the DSP market generally is to promote service innovations that reduce long-standing barriers to DER adoption," including the barriers facing potential multifamily residential DSP customers.[9] These barriers

[7] See the NYC "Built to Last" plan announced September 22, 2014 at 12 on the NYC web site: http://www.nyc.gov/html/builttolast/assets/downloads/pdf/OneCity.pdf.
[8] *Id*. at 32.
[9] *Id.* at 30

include the issue of split incentives[10] and the need to enable greater participation of customers who cannot physically install DER assets.[11]

NRDC urges the Commission to adopt the Straw's recommendation that "[a]ddressing split incentives should be included within the utilities' implementation plans."[12] These efforts and more will be needed to achieve a fraction of the potential presented by the affordable multifamily sector. We urge the Commission to require that the utility and NYSERDA implementation plans include holistic plans to scale energy efficiency and promote DER in the affordable multifamily sector. This should include the coordination of programs between municipalities[13] and the state and across all relevant agencies and authorities (including but not limited to NYPA and NYCHA), new financing mechanisms, targeted analysis of the sector,[14] and extensive stakeholder engagement.

D. Wholesale Market Interactions

NRDC applauds the Commission and Staff vision to make the connection between the wholesale and retail electricity markets. This is necessary if New York is to achieve a "single ISO" vision where improved system wide efficiency is the driver of consumer and environmental value. This, as the Commission stated at the outset, is the very "promise" of REV.[15] In both the retail and wholesale transactions, the DSP will be providing a mix of supply and demand

[10] As stated in the Staff Straw, "A common form of split incentive is where building owners would bear the cost of DER asset installation, while tenants would receive the benefits of the asset, with the result that beneficial investments are frequently not made. In other cases, where residences are not individually metered, tenants are unable to realize any benefit from energy saving practices or measures." *Id*. at 29-30. *See also* the Energy Efficiency for All Principles Filing at 2.
[11] Staff Straw p. 30.
[12] *Id*.
[13] One emerging initiative that Staff and the Commission should consider leveraging is NYPA's Five Cities Energy Master Plans, which presents a prime opportunity for REV objectives to be deployed at the municipal level. Available at: http://www.nypa.gov/buildsmartny/fivecities.html
[14] As noted in the Energy Efficiency for All response to the Straw, NRDC commissioned Optimal Energy to conduct a study on affordable multifamily energy efficiency potential, which we expect to be complete in the coming weeks.
[15] *See* Case 07-M-0548, "*Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard,"* Order Approving EEPS Program Changes (issued December 26, 2013) at 11.

resources.[16] In order to achieve integration, as noted in the Straw, there will be a need for coordination between the DSP acting as a service provider of DER at the retail level while also facilitating interactions with the wholesale markets.[17]

We understand that the vision of an optimized "single state ISO," including the continued integration of renewables both large and small, will require multifaceted planning,[18] some beyond the jurisdiction of the Commission. We urge, however, the Commission to take a holistic view now and require REV to help pave the way. Preliminary steps for the DSP, as discussed below, include the need to (1) coordinate how resources are used and (2) ensure that services provided by DERs at the distribution level are accurately reflected at the wholesale level.

Regarding coordination, a DSP, for example, may contract with demand response resources for availability during a limited set of hours. It will be important for the New York Independent System Operate (NYISO) to be aware of resources committed to DSP providers and not also count on that resource as a wholesale load modifier. Some demand response resources may fill both a DSP requirement and have additional availability to sell into the NYISO wholesale market as an energy, reserve, or capacity resource. These dual or multiple transactions should be encouraged, but they must also be monitored and known to both the NYISO and DSP provider to avoid double commitment of the MWs.

The DSP will be focused on optimal hourly (and potentially even shorter intervals such

[16] Staff Straw pp. 13, 17

[17] State of New York Department of Public Service, Reforming the Energy Vision Staff Report and Proposal. April 24, 2014. P. 9. *See also* Staff Straw pp. 17, 34, 76.

[18] NRDC notes that this goal can only be realized by coordinating the NYISO's bulk system transmission planning for reliability, economic, and public policy purposes, the integration of utility scale and distributed renewables, the State's multi-billion dollar post-Sandy infrastructure rebuild plans, the potential of Indian Point closure and other issues in a comprehensive fashion. NRDC urges the Commission to explore how to improve this coordination among these critical and interrelated issues to achieve a fully integrated market for DER and renewables in New York.

15 minutes or less depending on the software and infrastructure at the DSP's disposal) combinations of wholesale resources and local distributed resources that may include small scale generation, energy efficiency, and demand response resources. When selecting optimal combinations, the pricing and valuing of resources at both the wholesale market and local distributed levels needs to be consistent, if not exactly the same. The concern is that if there is a 2 MW demand response resource that has a different value in the wholesale market than through a DSP program, there will be inefficient price formation and distortions of the true value of the demand response resource.

This does not mean that a resource cannot have a greater value for a specific location, and that this value cannot be reflected in different prices. An example would be a small generator[19] or storage resource that can help resolve a local reliability issue under certain system conditions. In the wholesale market, that same resource may be valued only for its energy contribution, not its reliability contribution, under normal system conditions.[20] How and when the DSP dispatches and compensates this distributed resource needs to be developed in close coordination with how and when the NYISO may dispatch and compensate the same resource.

Another important issue for Staff and the Commission to consider is ensuring that services provided by DERs at the distribution level can also be reflected at the wholesale level. For example, an energy efficiency resource may provide some peak load reductions through a

[19] As discussed further later in this filing, NRDC supports the participation of zero emissions (e.g. solar PV) and high efficiency, clean DG (including but not limited to fuel cells and CHP) in any DSP markets. Without the necessary DEC DG regulation on the books to ensure stringent emissions performance standards, behind the meter generation could potentially include dirty diesel engines that have no place in a market-based/economic DSP market.

[20] As has been illustrated in the many announced retirements of central generating units in the past few years, there are often reliability or transmission security issues that result from resources entering or exiting the market on the *local* (i.e. sub 115 kV) system but that do not threaten the reliability of the *bulk* system for which the NYISO is responsible for maintaining. Similarly, a DER may deliver high value to the DSP in managing the distribution system that may or may not have comparable value at the wholesale level. Thus, compensation and coordination across and between these markets will be essential to optimizing efficient grid operations at all levels.

DSP program. The NYISO does not currently permit energy efficiency resources to participate in its capacity market, so there is no way to appropriately value and compensate this energy efficiency service at the wholesale market level. Both PJM and New England allow for capacity payments to energy efficiency resources through their respective wholesale capacity markets.[21] NYISO needs to do the same in order for the fully value the energy efficiency acquired by DSPs seeking to reduce their peak loads – absent such an amendment to the NYISO tariffs, the Commission should ensure that the DSP explicitly accounts for this value and appropriately compensates energy efficiency DERs in their market product designs.

IV. Gauging Feasibility.

B. Benefit Cost Analysis.

Staff puts forward the need for a benefit-cost analysis (BCA) Framework "…to support policy, investment, and pricing choices as the implementation of REV moves forward."[22] Staff cites the Commission's previous Con Edison rate case order stating that a BCA Framework should "…harmonize the comparison of traditional utility system and alternative solutions and investments. We expect to develop a single, consistent cost/benefit approach for use in the Energy Efficiency Portfolio Standard proceeding, and in the anticipated comprehensive generic regulatory framework proceeding [REV] we announced in December 2013."[23]

The Staff Proposal continues noting that such a framework should be applied at multiple levels with the primary application "…expected to be used by utilities in planning their

[21] Cheryl Jenkins, Chris Neme, Shawn Enterline, *Energy Efficiency as a Resource in the ISO New England Forward Capacity Market*, in *Energy Efficiency*, published online June 06, 2010
[22] Staff Straw p. 42
[23] *Id*. at 43

distribution systems, including DSP investments and DER, to meet overall system cost efficiency, reliability, resiliency, security, and societal goals."[24]

NRDC largely concurs with these broader objectives. We plans to engage and respond at greater length on this critical topic as part of the proposed BCA stakeholder process—a process that must be initiated without delay, as this BCA framework is a fundamental precursor to the foundation of any well-designed REV regime for both Tracks I and II.

The REV Straw Proposal lists seven Principles to Guide BCA Framework Development and then provides greater detail in Tables 3 and 4 as to what costs and benefits should be included in each of the three benefit cost tests that Staff proposes be used: RIM Test, Utility Cost Test (UCT), and the Societal Cost Test (SCT). In Tables 5 and 6 the Staff discusses how these costs and benefits and general BCA model inputs, e.g., discount rates can be quantified.[25]

NRDC notes that the overall focus of the planned BCA Framework is largely targeted to informing investments related to the electric utility system. NRDC is concerned that the current potentially narrow focus of the BCA Framework may inadequately address broader greenhouse gas reductions goals. Yes, the proposed list of benefits clearly includes monetization of carbon reduction benefits. However, it is not clear that the proposed BCA framework will provide the correct direction to policymakers, utilities, and other market actors as to appropriate support of such key GHG mitigation strategies as strategic electrification, fuel switching, and combined heat and power (CHP). NRDC requests that the proposed BCA Framework stakeholder process adequately identify and address such broader multi-fuel and greenhouse gas policy considerations.

[24] *Id*. at 44
[25] *Id*. at 44-48

NRDC also notes more specific concerns with the use of the cost-effectiveness tests proposed by Staff, particularly the RIM test. While rate impacts should not be ignored, the greater focus of DER investments should be on bill impacts, which are a function of both rates and consumption. Consideration of bill impacts underscores our previously expressed concern that traditionally underserved and hard-to-reach market segments may be inadequately served in any revised offering of efficiency services. For these reasons, we explicitly recommend that the RIM be eliminated from consideration in the broader BCA framework.

NRDC also recommends that alternatives to the proposed tests be considered as part of any stakeholder discussion. In particular, NRDC would like to draw attention to ongoing efforts by the National Efficiency Screening Project to develop a Resource Value Framework (RVF). While the RVF is being developed specifically for the analysis of efficiency programs, components of it are likely relevant to New York's attempts to develop a broader BCA Framework. Both NRDC and National Grid have stated their support for the principles and recommendations in the most recent paper on the RVF.[26]

Other specific comments, which are by no means exhaustive, on the proposed BCA Framework, include:

- The UCT should be done from an all fuels perspective, not just an electric utility one.
- Wholesale price suppression effects should not be excluded from the SCT.
- Care should be taken in using the appropriate discount rates for any test employed. For example, the utility weighted cost of capital is not the appropriate discount rate to use for the SCT.

[26] The National Efficiency Screening Project, *The Resource Value Framework: Reforming Energy Efficiency Cost-Effectiveness Screening*, August 16, 2014. http://www.nhpci.org/publications/NHPC_NESP-Recommendations_20140816.pdf

- While the proposal speaks to doing scenario analysis, it should clarify how different scenario results will be interpreted to address risk mitigation.

Further, proper monetization and inclusion of non-energy impacts is a critical component of any comprehensive BCA Framework. As noted in the Straw Proposal's Context and Overview, an outcome of the proposed reforms "…should be to monetize, in manageable transactions, a variety of system and social values that are currently accounted for separately or not at all."[27] Staff should provide further guidance on this topic.

2. Guidance on key parameters

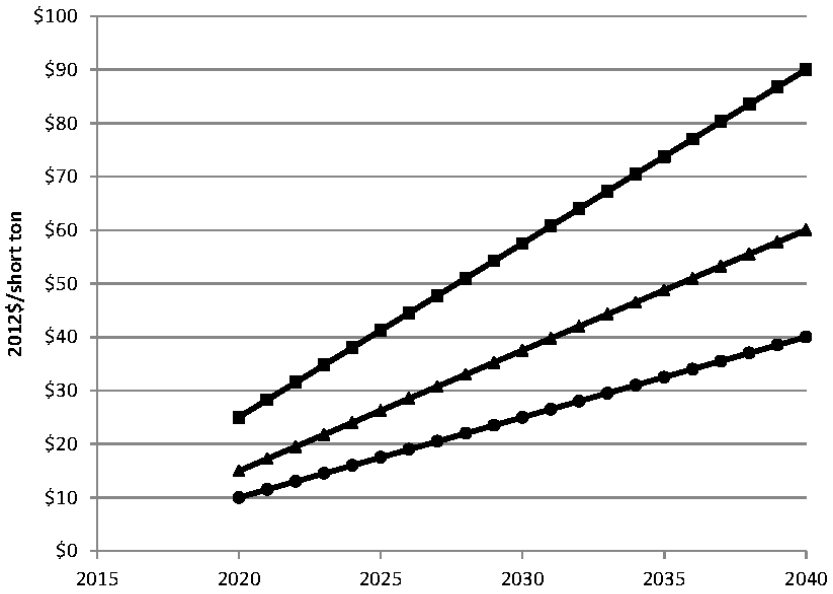
The Staff Straw provides guidance on how a carbon cost to be used in a benefit/cost analysis might be calculated using a marginal damage cost approach.[28] Table 6 in the Staff proposal references an EPA report from 2013 on the Social Cost of Carbon as one source of values for a damage cost approach.[29]

Synapse Energy Economics has reviewed dozens of carbon price forecasts used across the United States and provided a summary of those forecasts in a report published in 2013 and updated in 2014.[30] The 2014 report includes a discussion of different types of price forecasts, including a "social cost of carbon" approach that is consistent with the Staff paper's recommended approach.[31] The report includes a synthesis of 36 different utility carbon price forecasts reviewed and graphed in the report. Based on those 36 forecasts and applying some

[27] *Id*. at 1
[28] *Id*. at 47
[29] *Id*. at 48
[30] See Synapse web site at http://synapse-energy.com/sites/default/files/SynapseReport.2014-05.0.CO2-Price-Report-Spring-2014.14-039.pdf (last visited on September 19, 2014).
[31] Synapse 2014 report. Pp. 5-7.

expert judgment, Synapse produced a 2013 CO2 Price Forecast.[32] The Synapse Forecast provides a Low, Mid, and High case for CO2 prices, as shown in the figure below.

Figure 4: Synapse 2013 CO_2 Price Trajectories



The forecast shows a range, in 2040, of $90 per ton (High) to $40 per ton (Low). These estimates are not based on a social cost of carbon analysis (the damages caused by carbon); they are based on the effective carbon price that utilities can expect to pay. A damage cost analysis will generally produce higher prices than an effective cost analysis.

V. Building the DSP Market.

A. Clean Energy

Energy efficiency should be the cornerstone of the Commission's policies to meet New York's greenhouse gas emission targets. Clearly, significant amounts of end-use efficiency must be captured to meet an 80% reduction in GHG emissions by 2050 as well as the nearer term

[32] *Id*. at 23, 26

interim GHG reduction goals previously proposed by NRDC and others.[33] The NYS Climate Action Plan policy scenario estimates that 41% of the projected 2011-2030 GHG reductions in the RCI sector would be from efficiency efforts with the remainder coming from renewables (solar photovoltaics (PV) and bioenergy) and policy initiatives (codes, standards, commissioning, and benchmarking). To achieve this projected GHG reduction the RCI building sector would comprise 56% of the projected reduction in electricity use from 2011 through 2030.[34] While not all of the efficiency procured in the RCI building sector is expected to come from utility led efforts, much, if not most of it, will.

In order for utilities to achieve these results and more, New York can and should be more aggressive. Currently, New York electric utility and NYSERDA efficiency efforts attain savings roughly equivalent to 1.1% of annual sales. NRDC strongly recommends that New York set a goal of increasing these savings to the equivalent of 2% of annual electric sales – an entirely achievable level of savings. Indeed, a number of leading and nearby states including Massachusetts, Rhode Island and Vermont are already achieving savings levels in excess of 1.5% of sales with the first two achieving savings in excess of 2.0% of sales; nearly twice that of New York. Note that all three of these New England states have all cost-effective energy efficiency mandates in statute, unlike New York.[35] NRDC recommends that the utilities be required to detail in their ETIPs a three-year ramp to a 2% overall savings level with discrete savings goals for the residential, low income, multifamily, commercial/intuitional, and industrial sectors.

[33] New York State Climate Action Plan (NYCAP). Interim Report. November 9, 2010 p. 6-12
[34] *Id*.
[35] Annie Gilleo. *Picking All the Fruit: All Cost-Effective Energy Efficiency Mandates*. ACEEE 2014 Summer Study. August 2014. https://www.aceee.org/files/proceedings/2014/data/papers/8-377.pdf

We note that NYSERDA has attained its share of New York's electricity savings at a levelized cost of only $0.020/net kWh between 2009 and 2011. These results are from a larger, recent study completed by the American Council for an Energy-Efficient Economy ("ACEEE") staff earlier this year. In comparison, the average across all 20 states examined ranged between $0.027 and $0.030/net kWh between 2009 and 2012. The median was slightly lower, varying between $0.025 and $0.026/net kWh.[36] This same study also compared the levelized cost of efficiency to that of a number of new electricity resource options based on 2012 data. In all cases, the midpoint estimate for efficiency was half to a quarter of that for supply side options. If New York's efficiency efforts are to double in the near term, it can be done at a cost still below that of either conventional or renewable generation resources.

1. Transition

The need for a more aggressive goal for utility efficiency programs is all the more important considering the uncertainty of the fate of those efficiency programs currently administered by NYSERDA. NRDC notes that the Staff Straw is silent as to the fate of NYSERDA's efficiency programs. Under EEPS, the efficiency programs administered through NYSERDA constitute approximately 50% of the total EEPS funding for efficiency and as much as 60-70% of the projected energy savings targets. Regardless of the precise numbers, what is clear is that the NYSERDA efficiency programs represent a significant portion of the State's energy efficiency portfolio, and the continued uncertainty as to what will become of those funds and the energy savings targets currently assigned to NYSERDA is a matter of deep concern, especially in the context of REV's goal to reduce greenhouse gas emissions. We are hopeful that

[36] Maggie Molina and Max Neubauer, *Still the First Fuel: National Review of the Cost of Utility Energy Efficiency Programs*, ACEEE 2014 Summer Study. August 2014. Note that NYSERDA 2012 program cost data were not available to the authors.

this issue will be addressed when NYSERDA submits to the Commission its proposed Clean Energy Fund proposal on September 23rd.

ETIPS

The Straw calls for the development of energy efficiency transition implementation plans ("ETIPs") to serve as the bridge between the utilities' current energy efficiency program efforts and their expanded demand-side efforts envisioned under REV.[37] Staff recommends that each utility's ETIP "should include a portfolio of energy efficiency programs with an associated energy savings goal that is no less than currently assigned through the Energy Efficiency Portfolio Standard (EPPS)." NRDC strongly believes that these goals should represent only the floor for utility support for energy efficiency, and that the utilities should be directed to develop an ETIP with the goal of achieving annual energy savings equal to 2% of annual energy sales beginning on January 1, 2017. In addition, we ask that the Commission provide require that any programs transitioned from the current NYSERDA mandate to the utilities are ultimately included in ETIPs as discussed above. Further, we ask that the Commission require the ETIPs to include:

1. Plans for program coordination and integration of service delivery between electric and natural gas utilities, including direction to coordinate in the development of the ETIPs so that they reflect planned program coordination; additionally, the Commission should direct Staff and utilities to collaborate with fuel oil and propane providers to the extent practicable to jointly develop coordinated energy efficiency services for those markets;
2. Expectations for providing services to under-served markets, including low and moderate income, multi-family, and small business customers;

[37] Staff Straw p. 51.

3. Guidelines for key elements to be included in the ETIPs and templates for presenting costs, savings, net benefits, and participant projections;
4. Plans to avoid unintended disincentives for strategic electrification, fuel switching, CHP and other policy initiatives that will help the state meet its GHG reduction goals; and
5. The convening of a formal stakeholder process for providing input to the ETIPs to ensure that the plans sufficiently address key markets and customer segments necessary to meet climate goals and provide equitable services.

Modifications to Proposed Utility Role in Delivering Efficiency Services

DPS Staff presents its recommendations for the transition and future role of the utilities in delivering energy efficiency to New York's homes and businesses. We ask that Staff and the Commission require that the utilities and stakeholders analyze how the enhanced role for utilities will impact the success of energy efficiency efforts, both in terms of magnitude of savings achieved and relative costs and benefits to consumers.

Program Implementation Coordination Among Utilities

NRDC strongly recommends that the Commission require a higher degree of coordination among the utilities in the planning and implementation of their energy efficiency programs. The Staff Straw Proposal states that "Each utility…should describe the energy efficiency programs that it intends to implement…."[38], but despite the many obvious benefits of coordination among utilities in delivering programs and the technical resources that support them, the Straw Proposal provides few suggestions regarding coordination among the utilities.

New York utilities need not reinvent the wheel to achieve greater coordination. Many other jurisdictions, including several in the Northeast, have demonstrated that coordination

[38] Staff Straw p. 53

among utility programs can result in greater overall energy savings. Vermont and Maine both have long-established state-wide third party implementation of energy efficiency programs. In Massachusetts, the utility program administrators have jointly delivered programs under the Mass Save banner for many years,[39] making it easier for consumers to participate in their programs. Similarly Connecticut utilities deliver coordinated programs across their territories through the Connecticut Energy Efficiency Fund, under the *Energize Connecticut* brand.[40]

New Hampshire utilities deliver their CORE programs through NHSaves.[41] Similarly Maryland requires a high level of coordination among the five utilities' EmPOWER Maryland energy efficiency programs.[42] All these states value attaining high levels of energy efficiency, and each recognizes that coordination of utility program delivery is one of the vehicles that can successfully be used to enhance the ability of the utilities to achieve savings.

Such coordination does not require uniformity in program design or delivery. Even in a highly coordinated program delivery model, there is room for individual utilities to innovate and develop new programs that will be particularly relevant to the specific needs of their customers, consistent with the Staff straw proposal regarding demonstration projects.[43] Regional differences in customer profiles can and should also be accounted for in utility program designs when those differences will be better served by unique programs.

Coordinated Technical Assistance

NRDC believes that coordination of technical resources among the utilities can also provide economies that will reduce costs to consumers. The Staff Straw Proposal recommends that each utility in its ETIP should describe its approach to benefit cost analysis, program cycle

[39] *See* http://www.masssave.com/about-mass-save
[40] *See* http://www.energizect.com/about/CEEF
[41] *See* http://www.nhsaves.com/about-nhsaves/our-mission/
[42] *See* http://energy.maryland.gov/facts/empower.html
[43] Staff Straw pp. 55-57

and evaluation planning, and technical resource manual (TRM) development,[44] but it is not clear that this will provide benefits that justify the added costs beyond that which would be incurred if these tasks were approached jointly. TRM development is a time-consuming task requiring significant amounts of research. Each utility should not expend funds to have identical research duplicated. As with coordination in program planning, numerous other jurisdictions have concluded that a state-wide resource for savings values is appropriate, including Illinois, Ohio, Pennsylvania, Vermont, Massachusetts, Connecticut, Michigan, and California. In an even broader effort to pool resources and reduce unnecessary consumer expense, a mid-Atlantic TRM has also been developed for use by utilities in the Mid-Atlantic States. Several of these TRMs adequately address the impact of in-state climatic differences on measure savings that would be encountered in a larger state like New York.

Evaluation Plans

The Commission should also direct the utilities to coordinate the development of their evaluation plans, both to reduce costs and to ensure comparability of results. If, in addition to capturing important savings during the transition period, the utility programs are indeed to be labs for the ongoing development of effective efficiency programs, it is essential that the results are assessed on a standardized basis, using consistent metrics. This can only happen in a highly coordinated environment, where metrics, terms, and data collection and analysis protocols are consistent and well-defined.

There are numerous examples of evaluations and market research activities that have been conducted across multiple utility jurisdictions. This approach not only allows utilities to reduce costs for consumers, but it can also allow for meaningful comparisons of results in

[44] *Id*. at 54-55.

different utility territories. This can provide critically important learning for program administrators. Most notably Northeast Energy Efficiency Partnerships has played a key role through its Regional Evaluation, Measurement and Verification Forum to coordinate the development and implementation of numerous recent and ongoing multi-jurisdictional studies. Similarly, the recently completed regional residential lighting hours of use study was a joint effort that included NYSERDA and program administrators in Massachusetts, Connecticut, and Rhode Island.

Reporting

The Staff Straw Proposal recommends additional reporting requirements for the utilities to ensure transparency.[45] NRDC not only agrees with this recommendation, but we urge the Commission to put requirements in place that will assure not only transparency of data, but also uniformity in tracking and reporting on energy efficiency efforts. NRDC fully supports Staff's suggestion for the development of "…a new integrated data management system…."[46] but urges the Commission to acknowledge that even an "off-the-shelf" system will likely require some customization for the New York's purposes. Therefore, NRDC recommends that the Commission convene a process that includes Staff, utilities, and stakeholders to identify standardized reporting requirements for the ETIP transition period.

Coordination with Other Fuels

NRDC recommends that the Commission direct Staff and utilities to identify and implement coordinated delivery of energy efficiency programs across electric and gas utilities. This should to the extent practicable include coordination between the electric utilities and

[45] *Id*. at 55
[46] *Id*.

providers of fossil fuels, including natural gas, fuel oil and propane that are used for heating and other processes.

The efficient use of these fuels must be addressed if climate goals are to be met. We cannot afford to leave potential energy savings "on the table" merely because a specific funding source was limited to savings attributable to a specific fuel. Providing these services will also be less costly and more effective if it can be done through the programs and providers that are delivering electric efficiency at the same time. Indeed, a recent example of the benefits of delivery partnerships between utilities that provide different products in the same geographic territory is Los Angeles, where SoCal Gas and Los Angeles Department of Water and Power are collaborating to provide joint program delivery with a combined 2013-2014 budget of over $440 Million.[47] Programs are delivered jointly to save electricity, natural gas, and water, so that "Customers who had to engage with multiple utilities to receive incentives and services for their energy and water projects in the past, can now conveniently engage with just a single entity."[48] The collaboration results in "…increased participation in energy efficiency programs, reduced program delivery costs, and the elimination of duplication of efforts."[49]

NRDC recommends that the REV process explore opportunities for new models for funding efficiency services to fuel oil and propane customers. This will be critical to meeting the State's climate goals. The Commission should direct Staff and electric and gas utilities to collaborate with NYSERDA and fuel oil and propane providers to develop proposals to integrate and coordinate the delivery of energy efficiency services to fuel oil and propane customers, many of whom are especially vulnerable to price spikes and supply interruptions.

[47] Creating a One-Stop-Shop for Resource Efficiency: A Public-Private Partnership in the Delivery of Energy and Water Efficiency Programs. Drake, Mark, and Lukito, Mugimin; Wright, Gillian; Jacot, David and Hardison, Gretchen. 2014 ACEEE Summer Study on Energy Efficiency in Buildings.
[48] *Id*. at 5-117
[49] *Id*. at 5-126

2. Supply Side Renewables.

In the Straw Proposal, "Staff recommends that procurement of supply-side large scale renewable resources become the responsibility of the utilities."[50] While additional detail on this mechanism is clearly needed, NRDC commends Staff for this explicit support for continued development of utility scale renewable projects in New York, and looks forward to working with the Commission as the concept is fleshed out. In order to avoid uncertainty in the renewables market in New York, it is essential that this transition occur as seamlessly as possible without the "stop and start" scenario that will occur if no plan is in place well before the end of 2015. Failing to establish a clear path forward for utility scale renewables would not only hinder the state's public policy objectives for carbon reduction and compliance with the EPA Clean Power Plan, but also jeopardize the economic development and private sector growth that the Main Tier of the RPS has driven over the last decade.[51] In order to avoid this market uncertainty, NRDC strongly supports Staff's recommendation that "A new mechanism for procuring these resources must be in place by early 2016." Achieving this objective will ensure continuity, maintaining the momentum provided by the currently open 9th Main Tier solicitation and 10th solicitation scheduled for 2015.[52]

NRDC supports Staff's suggestion that "the mechanism of power purchase agreements is most likely to meet the near term objectives of the Commission and the Draft State Energy Plan."[53] Regarding the five specific questions raised by Staff on this subject, NRDC does not

[50] Staff Straw at 51

[51] As reported by NYSERDA, a benefit-cost analysis on the Main Tier portfolio showed a net benefit of approximately $1.6 billion, with a benefit to cost ratio of approximately 5 to 1. The cumulative net growth in gross state product from Main Tier projects as of December 31, 2012 was expected to be approximately $2 billion. *See* NYSERDA RPS Annual Performance Report Through December 31, 2013 at 2.

[52] *See* Case No. 03-E-0188, Proceeding on Motion of the Commission Regarding a Retail RPS, Order Authorizing Modifications to the Main Tier Solicitation Contract Term (Jul. 2, 2014) at 15.

[53] Staff Straw at 52.

provide responses in this filing because the Clean Energy Fund proposal has yet to be filed by NYSERDA, and the content of that filing will inform these positions. However, as a general matter, NRDC continues to support a statewide target of supplying 50% of the electricity consumed in New York from renewable resources by 2025; thus the scale and scope of the utility procurement obligation should collectively drive the state towards meeting this goal.[54] In addition, regardless of how the utility obligation is structured, it should be transparent and enforceable, and there should continue to be annual reports to the Commission regarding statewide progress, procurement levels, etc. as has been supplied by NYSERDA under the current RPS Main Tier.

3. Energy Efficiency with Load Management Controls

Regarding the transition of incentives, NRDC recommends that New York encourage the influx of capital needed to support energy efficiency investments at scale, while also expanding cost-effective customer incentive strategies that will drive adoption of energy efficiency products and services. Smart incentive offerings and market animation efforts are not mutually exclusive, but rather essential and complementary components of a well-designed REV future.

In recent years, while New York has supported customer incentives for energy efficiency, it has ranked behind other leading states like Massachusetts, Rhode Island, Vermont, California, Oregon and Washington in the level of support provided.[55] This is not because incentives in and of themselves are ineffective policy tools – but rather a number of administrative challenges that

[54] This is inclusive of the approximately 20% starting point New York had from its large legacy hydro, which amounts to a 30% RPS, which is slightly less (and later) than California. See Jackson Morris, Andrea Cerbin, Jordan Stutt and Adam Cohn, "New York's Renewable Portfolio Standard: Where do We Go From Here?" Pace Energy and Climate Center at 3.

[55] 2013 ACEEE State Scorecard, electric efficiency budgets. New York received a 3.5 out of a possible 5 points on this metric. The other states listed received a 4 or 5. New York also ranked behind Massachusetts, Rhode Island, Vermont, Oregon, and New Hampshire with regard to gas efficiency budgets.

New York has been working to overcome. In at least some of these states, the level of funding corresponds to that which is deemed to support all cost-effective energy efficiency. NRDC recommends that New York similarly provide full support for all cost-effective portfolios, while integrating them into the DSP business model and expanding the framework under which they are evaluated to place them on a more equal footing with traditional utility investments.

F. Planning REV Implementation

As envisioned in the Staff paper on Track One issues, the DSP will function as a local coordinator of resources to improve overall system efficiency and lower the cost of electric service to NY customers.[56] One of the key ways that savings can be achieved is through the better balancing of supply and demand resources in a dynamic manner that takes advantage of new systems and technologies. The technical capability to achieve dispatch efficiency may be improving faster than the procedures and policies needed to recognize and implement the technologies. The planning processes used to anticipate future electric system needs is an area that particularly lags in modern analysis and techniques.

Planning on the wholesale level done by NYISO is an extension of the planning processes developed by local distribution utilities over the last seventy years. First there is a forecast of future energy needs. Then there is an accounting of existing and planned generation resources. Finally there is an attempt to determine if the quantities and locations of the future resources will adequately meet the needs of future loads.[57]

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[56]Staff Straw p. 64

[57] NYISO 2014 Reliability Needs Assessment. September 16, 2014. http://www.nyiso.com/public/webdocs/markets_operations/services/planning/Planning_Studies/Reliability_Planning_Studies/Reliability_Assessment_Documents/2014%20RNA_final_09162014.pdf. The report predicts some transmission security violations in the near term, and resource adequacy needs at the end of the decade. DSP investments under the REV can and should meet many of these bulk system needs—but can only be reflected in the NYISO planning processes if they are fully integrated and accounted for. Failing to do so would result in a grossly overbuilt system, resulting in higher costs for consumers and quite likely increased pollution.

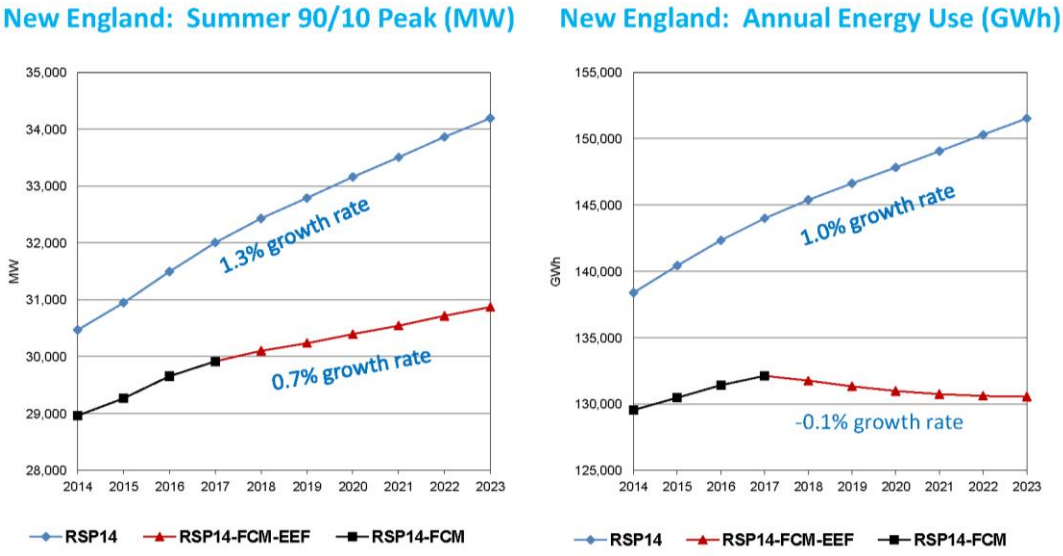
As new technologies are developed, expanded, and implemented by DSPs, both the local planning process and the wholesale planning process will need to develop more dynamic forecasts that reflect the greater diversity of resources and the differences in their operational performance. Some trends driving this need include:

- Traditional generation already varies a great deal in performance due to planned and unplanned outages as well as longer-term outages for retrofits or refueling;
- Current demand resources such as demand response and energy efficiency can be dispatchable, in the case of demand response, and non-dispatchable in the case of energy efficiency. Both can provide reductions to load on predictable schedules, but are often not available 24/7;
- Existing DER includes distributed generation, renewable resources, and CHP that operate on variable schedules related to wind, sun, temperature, and other factors such as commercial or industrial production schedules;
- New technologies such as short-term and long-term storage may provide small amounts of balancing resources or large quantities of periodic energy, such as pumped hydro resources. As with demand response and energy efficiency, storage is usually not available for all hours of every day;
- Future distributed resources supported by RPS, PV, DR, storage, or CHP policies may encourage resources with different operational profiles than those familiar to system operators today;
- Future efficiency of buildings as zero-net-energy retrofit programs under development will dramatically impact forecasts of future annual energy and peak load needs.

The current planning processes at NYISO and Local Transmission Plans formulated annually by the utilities at the distribution level rely on decades of experience with traditional generation resources and the certain historical trends and knowledge that annual energy and peak load needs would increase by at least 3% per year. The decisions to add resources and build more infrastructure has almost always been justified when reviewed in hindsight. Today, the growth of annual energy and peak loads is far less certain and the addition of large base load resources is viewed with increasing skepticism. Coupled with policy initiatives to encourage the more efficient use of electricity (energy efficiency and demand response) and alternative methods of production of electricity (wind, solar, CHP and other clean distributed generation (DG), etc.), the process for forecasting future needs must be better coordinated on the local and regional levels. If not coordinated, there may be unnecessary investments in infrastructure that can be avoided with less expensive options.

NYISO's planning process currently incorporates an estimate of future EE resources. Similar more sophisticated forecasts for other behind the meter DERs such as solar PV and CHP are needed as well. Once developed, the forecasts must be integrated into the planning processes (retail and wholesale) in a meaningful way.

New England has been using a data intensive EE forecast in its regional planning studies since 2010. The reductions to long-term forecasts for summer peak loads and annual energy consumption have been substantial as shown in the figures below.



New England also developed an initial forecast for PV resources for the 2014 Regional System Plan that will be finalized this fall.[58]

Without robust integration, the planning process will produce recommendations for transmission and distribution system upgrades to meet forecasted new loads that may never occur, due to the widespread implementation of DERs that meet the new load at the distribution level. There will also be better coordination of demand and supply resources by the DSP that further mitigate load spikes. Over the next twenty years, grid operators may discover that net energy for loads and net peak loads are stable or even declining.

VI. Mitigating Market Power.

NRDC supports the need to address market power concerns including those related to how the DSP selects resources and compensates them. It is likely that for some of the DSP

[58] The ISO-NE 2014 EE Forecast and the Interim 2014 PV Forecast are at the following links:
EE Forecast
http://www.isone.com/staticassets/documents/committees/comm_wkgrps/othr/enrgy_effncy_frcst/2014frcst/iso_ne_final_2014_ee_forecast_2018_2023.pdf
DG Forecast
http://www.isone.com/staticassets/documents/committees/comm_wkgrps/othr/distributed_generation_frcst/2014_pv_frcst/2014_final_solar_forecast.pdf

resource procurements the compensation will be a combination of market and administrative payments set by the DSP or perhaps set through specific policies or programs such as NY-Sun, the newly structured Clean Energy Fund, or other components of the utility's ETIP or broader DSP portfolio.

The decision by a local DSP to ramp up generation or implement demand reductions could have impacts on NYISO energy and reserve markets at the wholesale level, thereby affecting all New York electric customers. As noted in the Staff Paper, the DSP may have a vested interest in some of the DERs because of the impact on the DSP's revenues. That vested interest could influence the selection process among different DERs or as alternatives to traditional generation or imports of energy.

Recent comments filed in the Exelon-PHI merger docket in the District of Columbia by the PJM Independent Market Monitor (IMM) focus on market power concerns, both traditional concerns about concentration of generation and transmission ownership and new concerns related to concentrations of demand side resources.[59] The concerns related to demand resources (demand response, energy efficiency, and distributed generation) have to do with the substantial portfolios that each utility controls and the potential horizontal market power that could potentially be exercised if that merger is approved.[60] The IMM notes that the companies had failed to address or analyze this potential in their merger proposal. While this testimony is in the context of the merger case, the principles therein regarding potential market power issues are directly relevant to the REV proceeding.

There are multiple tests that need to be satisfied to show that an individual entity exercised market power in an illegal manner, but the best way to prevent market power abuse is

[59] IMM Comments, FC No. 1119, Public Service Commission, District of Columbia, August 15, 2014.
[60] NRDC has not intervened in this case, and does not have an official position in the matter.

to try and avoid situations where market power occurs. Specific mitigation measures can be selected for particular concerns as noted in the IMM comments in the merger proceeding.

The concerns about horizontal market power could also apply to DSP providers that may have large quantities of DERs to offer, or withhold, from NYISO markets. As more detail emerges regarding the DSP plans and Commission requirements in both Tracks I and II, NRDC will provide additional feedback on how market power could be mitigated and/or ideally avoided entirely.

VII. Implementing REV

NRDC concurs generally with Staff's conclusion that the central vision of REV is achievable. Achieving the "substantial benefits" of REV will of course depend upon those policies and programs that the Commission and other state agencies elect to adopt and implement. By itself, the Commission will not succeed in achieving the full potential benefits of the REV. From an environmental perspective, it is critical that the Commission and the Department of Environmental Conservation (DEC) work in consort to adopt measures that will improve air quality and reduce emissions of greenhouse gases while maintaining system reliability and supporting greater resiliency.

We agree completely with Staff's recommendation that future action should be guided by the principles of collaboration, transparency, standardization, and non-discrimination. NRDC looks forward to remaining an active participant in the further development and implementation of REV.

Meanwhile, while NRDC fully supports the proposal that each utility should file an Efficiency Transition Implementation Plan, we believe that those Plans need to be more aggressive than the minimum requirements recommended by Staff and that these Plans should

contain, at a minimum, programs designed to – in concert with remaining NYSERDA programs – achieve the full 2015 EEPS energy savings targets (i.e. any reductions in NYSERDA's post-2015 savings obligations should be transferred to utilities).

NRDC supports Staff's recommendations that each utility identify those capital projects that are likely candidates for deferral or avoidance through the procurement of DER and that each utility submit a plan for a competitive DER procurement process, including making available customer usage data sufficient to allow DER providers to participate effectively in such a solicitation.

We share the concerns expressed by Pace and others regarding any wholesale extension of rate periods. Based on past practices in New York, such wholesale extensions have had a mixed record of success. As REV evolves and undergoes gradual implementation, NRDC believes that there will be an even greater need for Commission and Staff engagement and oversight of utility actions, especially if the utilities also perform the function of the DSP. Moreover, the credibility of the REV process rests on the opportunity for broad and regular public participation. The Commission clearly recognizes this truth as it has worked aggressively to assure active public involvement in the REV process up to now. We applaud the Commission's support for this public engagement in REV.

C. Transitional Steps

As stated in the July NGO Filing, we reiterate the need for the Cuomo Administration and the New York Department of Environmental Conservation (DEC) to prioritize the timely promulgation of its long awaited rule regulating DG resources in order to avoid perverse environmental outcomes. First proposed over a decade ago and persistently mired in regulatory limbo since, without this regulation in place the state could experience net increases in GHG and

criteria pollution form our overall energy system even as emissions from our central generation fleet continues to decline. The Environmental Protection Agency's ("EPA") Clean Power Plan only regulates Electric Generating Units (EGUs) 25 MW and above under section 111(d) of the Clean Air Act; the same facilities that already hold Title V permits for criteria pollutants and comply with the Regional Greenhouse Gas Initiative ("RGGI") for carbon emissions. More DER such as solar and wind, as well as storage, have clear emissions reductions benefits. And while many newer, high efficiency distributed generation technologies such as CHP and fuel cells have very low emissions they are not zero emissions. More troubling is the potential for the proliferation of diesel generators absent sufficient regulations to prevent this. As New York moves to a more distributed system, it will be essential for the state to carefully design and quickly adopt these and other overlaying environmental regulations in order to prevent backsliding on air quality and GHG emissions, while also avoiding the potential undermining of the "price on carbon" imposed on a subset of electric generation through RGGI.

VIII. Concluding Remarks.

At the outset of REV, the Commission stated that its goal was no less than to "comprehensively consider how our regulatory paradigm and retail and wholesale market designs either effectuate or impede progress toward achieving the policy objectives underlying our system benefit programs and our regulation of electric distribution utilities."[61] The promise of REV, the Commission then stated, is "improvements in system efficiency, greater customer choice, and greater penetration of clean generation and energy efficiency." NRDC agrees. We applaud the REV vision as leading the nation towards creating a utility paradigm that aims to

[61] Case 07-M-0548, "*Proceeding on Motion of the Commission Regarding an Energy Efficiency Portfolio Standard,"* Order Approving EEPS Program Changes (issued December 26, 2013).

avert the catastrophic effects of climate change, create value to consumers, improve public health and power New York's economy.

NRDC supports policies designed to promote the development of a vibrant private sector market that invests in energy efficiency, renewable energy, and other distributed energy resources. However, experience has taught us that an overreliance on the marketplace to advance important public policy goals, such as those reflected in the REV, is not a formula for success. The formula for long-term success involves a partnership between the public and private sectors. Strong and aggressive governmental policies, supported by predictable and meaningful financial support, are essential, especially during any transition period, if we are to maintain New York's leadership and generate the momentum necessary to attract private sector support for the REV's goals. Further, as discussed above, NRDC again encourages the Commission to:

- Adopt the public policy goal of reducing carbon emissions by 80% by 2050, and include interim targets will ensure New York is on the necessary glide path to achieve that goal.[62]
- Adopt a goal of meeting 20% of forecasted demand in 2025 though energy efficiency (which equates to roughly 2% of annual electric demand being met by efficiency over a 10 year period).[63]
- Enable REV to put New York on a pathway towards an optimized "single state ISO" that optimizes the integration of wholesale and retail markets.
- Increase utility investment in affordable multi-family buildings and create programs that scale energy efficiency in that sector.

[62] July NGO Comments at 11.
[63] *Id*. at 13.

- Provide detailed transition guidance to utilities, NYSERDA and other stakeholders on ETIPS, electric vehicles and other BCAs.
- Encourage holistic planning for renewables integration.
- Facilitate the necessary rule changes to enable REV, including finalization of the DEC DG rule.

NRDC commends the Cuomo Administration, Staff, and the Commission for tackling the challenge of fundamentally changing the structure of the State's energy system and the regulatory constructs that drive utility and consumer behavior, and looks forward to continued collaboration with decision makers and stakeholders to ensure the promise of the REV is in fact met. Doing so will cement New York's status as a national leader on clean energy and climate policy.

Respectfully submitted,

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