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September 30, 2022

Honorable Michelle L. Phillips  
Secretary  
New York State Public Service Commission  
Three Empire State Plaza, 19<sup>th</sup> Floor  
Albany, New York 12223-1350

**RE: Tariff Proposals to Preclude Dual Market Participants from Receiving Duplicative Compensation in both Wholesale and Retail Markets Concurrently and Other Conforming Changes in Connection with the New York Independent System Operator's Implementation of FERC Order Nos. 2222 and 841**

Dear Secretary Phillips:

Orange and Rockland Utilities, Inc. (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 revised Electric Tariff leaves, which are identified below, are filed to become effective on July 1, 2023.

<u>Leaf No.</u>	<u>Revision No.</u>	<u>Superseding No.</u>
16	5	4
156	9	8
156.1	8	7
157	8	7
157.1	8	7
185.3.1	0	
185.5.1	3	2
188.2	0	
188.3	0	
189.3	3	2
189.4	1	0
189.5	1	0
221.15	2	1
249.1	5	4
328.1	0	

**Reason for Filing**

On September 17, 2020, FERC issued Order No. 2222, that aimed to remove barriers for distributed energy resources ("DER") to participate in the wholesale markets that it

regulates.<sup>1</sup> To address these barriers, Order No. 2222 required each regional transmission organization (“RTO”) and independent system operator (“ISO”) under FERC’s jurisdiction to revise its tariff to establish DER aggregators as a type of market participant that can register under one or more participation models contained in the RTO/ISO tariff that accommodates the physical and operational characteristics of each DER aggregation.<sup>2</sup> Of particular relevance to this filing, Order No. 2222 allows DER to simultaneously participate in RTO/ISO markets and retail programs (i.e., dual participation) but also allows RTOs/ISOs to exclude participation of DER that are receiving compensation for the same services as part of another program.<sup>3</sup> Similarly, FERC Order No. 841 directed RTOs/ISOs to remove barriers to the participation of electric storage resources, including those interconnected to distribution facilities, in wholesale markets.<sup>4</sup> Importantly, FERC found that wholesale purchases and sales by electric storage resources (i.e., for charging and discharging) must be at the wholesale locational marginal price regardless of which participation model the electric storage resource uses to participate.<sup>5</sup>

One of the overarching principles of FERC Order No. 2222 is that dual participating customers must not receive compensation concurrently for the same service, such as compensation received for the sale of energy and capacity, in the retail markets that they are receiving in the wholesale markets. Order No. 2222 specifically prohibits double counting or double compensation of services provided by DERs.<sup>6</sup> In compliance with Order No. 2222 directives, the New York Independent System Operator (“NYISO”) proposed revisions to its Market Administration and Control Area Services Tariff (“Services Tariff”) and Open Access Transmission Tariff (“OATT”), which FERC accepted subject to a further compliance filing on June 17, 2022.<sup>7</sup> On the topic of dual participation and the potential for double counting of services, NYISO proposed in its first compliance filing to revise Section 4.1.10.6 of its Services Tariff to prohibit an aggregator from enrolling a new DER that “provides the same or substantially similar service in a retail market or program” that it provides in the NYISO-administered markets.<sup>8</sup> Subsequently, FERC accepted NYISO’s proposed revisions on double counting but directed NYISO to delete the wording “or substantially similar” in a further compliance filing.<sup>9</sup> NYISO’s Services Tariff only requires the DER aggregator, as part of the registration process, to affirm through an attestation that the DER is not providing the same service to a retail market or program.

Similar to the intent of NYISO’s provision to prevent double counting of services, the Company’s proposed revisions clarify customer eligibility to participate in its DER retail programs when such DER also participate in the NYISO markets, to prevent duplicative compensation for the same service. In addition to avoiding duplicative compensation issues,

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<sup>1</sup> *Participation of Distributed Energy Res. Aggregations in Mkts. Operated by Reg’l Transmission Orgs. & Indep. Sys. Operators*, Order No. 2222, 172 FERC ¶ 61,247 (2020), *order on reh’g*, Order No. 2222-A, 174 FERC ¶ 61,197, *order on reh’g*, Order No. 2222-B, 175 FERC ¶ 61,227 (2021). FERC defined DER as “any resource located on the distribution system, any subsystem thereof or behind a customer meter.” Order No. 2222 at P 114.

<sup>2</sup> Order No. 2222 at P 6.

<sup>3</sup> Order No. 2222 at P 160.

<sup>4</sup> *Elec. Storage Participation in Mkts. Operated by Reg’l Transmission Orgs. & Indep. Sy. Operators*, Order No. 841, 162 FERC ¶ 61,127 (2018), *order on reh’g*, Order No. 841-A, 167 FERC ¶ 61,154 (2019), *aff’d sub nom. Nat’l Ass’n of Regulatory Util. Comm’rs v. FERC*, 964 F.3d 1177 (D.C. Cir. 2020).

<sup>5</sup> *Id.* P 289; see also 18 C.F.R. § 35.28(g)(9)(ii) (stating “[t]he sale of electric energy from an independent system operator or regional transmission organization market to an electric storage resource that the resource then resells back to that market must be at the wholesale locational marginal price.”).

<sup>6</sup> Order No. 2222 at PP 159-164.

<sup>7</sup> *New York Indep. Sys. Operator, Inc.*, 179 FERC ¶ 61,198 (2022) (“Order on Compliance Filing”).

<sup>8</sup> NYISO, Compliance Filing, Docket No. ER21-2460-000, Transmittal at 41 (filed July 19, 2021) (“Compliance Filing”).

<sup>9</sup> Order on Compliance Filing at PP 133, 135.

the Company seeks to maximize dual participation opportunities for customers by proposing a new option for Value Stack Customers to receive payment for the energy and capacity from the NYISO but continue to be eligible to receive the applicable Value Stack non-energy and non-capacity compensation from the Company (i.e., the Environmental Component, Market Transition Credit (“MTC”) Component, Demand Reduction Value (“DRV”) Component, Locational System Relief Value (“LSRV”) Component, and the Community Credit Component). This new option, the Wholesale Value Stack (“WVS”), is identical to the Value Stack except, unlike Value Stack Customer-generators, WVS Customer-generators will receive energy payments and capacity payments, as applicable, from the NYISO either directly or through an aggregation in lieu of payment from the Company, thus, preventing duplicative compensation and providing Customer-generators additional optionality if they elect to participate in the NYISO markets.

### **Proposed Tariff Changes**

The Company is proposing several changes to its Electric Tariff to allow dual participation and deter duplicative compensation. Specifically, the Company proposes the following amendments to its programs that compensate customer-generators for exporting:

- Rider N - Net Metering and Value Stack Tariff for Customer-Generators: the Company added the aforementioned new WVS as a new sub-section under Rider N. New WVS customers must still meet all the eligibility requirements applicable to Value Stack customers and may still receive the non-energy and non-capacity compensation they would have received under the Value Stack but will now receive energy and capacity payments from the NYISO in lieu of the Value Stack Energy and Capacity components. The Company included timing restrictions regarding switching between retail and wholesale service tariffs to accommodate the NYISO’s capability planning year processes. A sentence was placed in both the Value Stack Energy Component and the Value Stack Capacity Component Sections of Rider N to reinforce that WVS customers do not receive compensation for the energy or capacity components that Value Stack customers receive. In addition, this filing adds clarifying language to explain the rules for customers returning to the Value Stack after having been on WVS versus customers not previously enrolled in the Value Stack who are switching from WVS to the Value Stack, as far as compensation election and eligibility election dates, rates, and terms.
- Grandfathered Net Metering and Phase One Net Metering customers cannot “dual” participate in both the Company’s and NYISO’s programs. Any type of NEM customer wishing to participate in wholesale markets must give up its NEM status and opt into WVS.
- SC 15 Buyback Service customer-generators cannot “dual” participate in both the Company’s and NYISO’s programs. Any Buyback customer-generators must forgo the SC 15 Buyback Service tariff and take Wholesale Distribution Service pursuant to Attachment L of the Company’s OATT with FERC.<sup>10</sup> The Company included timing restrictions regarding switching between retail and wholesale service tariffs to accommodate NYISO’s capability planning year processes.

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<sup>10</sup> The Company will be filing Attachment L to the Company’s OATT next year as described further in the Requested Effective Date and Commission Action Date section of this letter.

- Rider E - Commercial System Relief Program, Rider F – Distribution Load Relief Program, and Rider P - Term and Auto Dynamic Load Management Program customers can “dual” participate in both the Company’s and NYISO’s programs. The Company added Wholesale Distribution Service (“WDS”) to the definition for Load Relief and Electric Generating Equipment in these riders.

The Company also proposes other tariff changes as follows:

- The Company added the definition for Wholesale Distribution Service.
- Payments made under WWS will be recovered in the same manner as payments made to Value Stack customers are recovered, which is detailed in General Information Section No. 16.5, Value of Distributed Energy Resources (“VDER”) Cost Recovery.
- General Information Section No. 24 - Standby Service and Standby Service Rates was updated to state that customers with stand-alone Electric Energy Storage systems charging for wholesale participation purposes will be billed pursuant to Attachment L of the Company’s OATT on file at FERC in accordance with FERC Order No. 841.<sup>11</sup>

#### **Requested Effective Date and Commission Action Date**

The NYISO has stated it expects DER aggregator registration to begin in the second quarter of 2023 but that aggregators are not expected to transact in the NYISO markets until approximately August 2023. Accordingly, the Company is respectfully requesting that the Commission accept the proposed modifications to its Electric Tariff with an effective date of July 1, 2023 to ensure that these tariff provisions are in effect prior to the date that customers may commence transacting in the NYISO markets pursuant to Order No. 2222. Further, the Company respectfully requests that the Commission issue an order on the merits of this filing in the first quarter of 2023 but no later than April 1, 2023, in order to ensure the Company has sufficient time to file a WDS option under its existing OATT. The WDS option will be filed with FERC as Attachment L to the Company’s OATT.

Attachment L of the Company’s OATT will set forth the rates, terms and conditions of service in providing WDS to customers. Because the Company anticipates providing WDS to DER customers who choose to participate in the NYISO markets, the Company will need to file a WDS to reflect the expansion of services contemplated by Order No. 2222. The Company anticipates that it will propose reciprocal, clarifying, and preclusive language in Attachment L of its OATT to be filed with FERC to mirror the relevant language in the state retail tariffs proposed in this filing. Similar to this filing, the Company anticipates seeking a July 1, 2023 effective date for the Attachment L filing at FERC. To provide WDS and appropriately charge customer-generators for this delivery service when DER may commence transacting in the NYISO markets, a WDS option must be in place. In accordance with FERC’s 60-day prior notice requirement,<sup>12</sup> the Company must submit this filing to FERC by May 1, 2023, absent having sufficient grounds for waiver.

The Commission’s disposition of this filing in advance of submitting a WDS option with FERC will ensure that there is no disconnect between the Company’s Electric Tariff provisions

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<sup>11</sup> Order No. 841 at P 289. Although not yet on file with FERC at the time of this filing, the Company will file its proposed WDS with FERC next year as part of its OATT next year.

<sup>12</sup> 18 C.F.R. § 35.3(a)(1).

and its proposed WDS option that it will file at FERC. For this reason and to permit sufficient time for the Company to finalize its FERC filing in light of the Commission's order in this proceeding, the Company is respectfully requesting that the Commission issue an order on the merits of this filing in the first quarter of 2023 but no later than April 1, 2023.

### **Conclusion and Notice**

The Company is filing changes to its Electric Tariff to become effective on July 1, 2023. The Company respectfully request the requirements of Section 66(12)(b) of the Public Service Law and 16 NYCRR Section 720-8.1 regarding newspaper publication be waived as these changes will be communicated to customers through a post on the Company's website. Included is a proposed form of Notice of Proposed Rule Making for publication in the State Register pursuant to the State Administrative Procedures Act.

Very truly yours,

/s/

William A. Atzl, Jr.  
Director – Rate Engineering

## GENERAL INFORMATION

### 2. ABBREVIATIONS AND DEFINITIONS (Continued)

#### 2.2 DEFINITIONS (Continued)

SHORT TERM OR TEMPORARY NON-RESIDENTIAL CUSTOMER means a non-residential customer who applies for and receives electric service for a specified time period that does not exceed two years.

SIR means New York State Standardized Interconnection Requirements and Application Process for New Distributed Generators and Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems, as adopted by the Commission and as may be amended from time to time by the Commission. This SIR is set forth in Addendum - SIR to this schedule.

STAND-ALONE ELECTRIC ENERGY STORAGE means an Electric Energy Storage system that is not paired or co-located with any other electric generating technology on the same account.

SUPPLY LINE means a part of a distribution line that is installed between an existing electric distribution system and an underground distribution line within a residential subdivision.

TAMPERED EQUIPMENT means any service related equipment that has been subject either to unauthorized interference so as to reduce the accuracy or eliminate the measurement of the Company's service, or to unauthorized connection occurring after the Company has physically disconnected service.

TARIFF or "this Rate Schedule" means Company's Schedule for Electric Service as filed with the New York State Public Service Commission.

UNIFORM BUSINESS PRACTICES ("UBP") means the Uniform Business Practices adopted by the Commission in Case 98-M-1343, as may be amended from time to time by the Commission, and as set out in Addendum-UBP to this Rate Schedule.

UNIFORM BUSINESS PRACTICES – DISTRIBUTED ENERGY RESOURCE SUPPLIERS ("UBP-DERS") means the Uniform Business Practice rules adopted by the Commission in Case 15-M-0180, as may be amended from time to time by the Commission, and as set out in Addendum-UBP-DERS to this Rate Schedule. The UBP-DERS is applicable to all Distributed Energy Resource ("DER") suppliers that participate in a Commission-authorized and/or Company or Distributed System Platform-operated program or market with respect to transactions between the DER supplier and the customer of a distribution utility in New York State.

WHOLESALE DISTRIBUTION SERVICE ("WDS") means the service provided by the Company pursuant to Attachment L of the Company's Open Access Transmission Tariff and the applicable Service Agreement on file with FERC.

## GENERAL INFORMATION

### 13. SERVICE CLASSIFICATION RIDERS (Continued)

#### RIDER E

#### COMMERCIAL SYSTEM RELIEF PROGRAM

##### APPLICABILITY

Any customer who is qualified to take service under Service Classification Nos. 1, 2, 3, 9, 15, 19, 20, 21, or 22; and to any Aggregator that contracts to provide Load Relief of at least 50 kW during the Capability Period and meets the requirements of this Rider. Customers exporting to the NYISO or to third parties, either directly or through an aggregation, may also participate in Rider E. Service under this Rider is not available to participants in Rider D. Service under this Rider is also not available to customers who are otherwise contractually precluded from taking service under this Rider, either by their own contract or because they are represented by a third party that is contractually precluded.

##### DEFINITIONS

The following terms are defined for purposes of this Rider only:

Advisory refers to the Company's notice that the Company's day-ahead forecasted load level is at least 92 percent of the forecasted summer system-wide peak. Day-ahead and summer peak forecast information for the system will be posted to the Company's website.

Aggregator refers to a party other than the Company that represents and aggregates the load of customers who collectively have a Load Relief potential of 50 kW or greater and is responsible for the actions of the customers it represents, including performance and, as applicable, repayments to the Company. Aggregators will be allowed to establish up to three sub-aggregations provided, however, that each sub-aggregation must meet the existing 50 kW minimum Load Relief requirement for participation.

Capability Period under this Rider refers to the period during which the Company can request Load Relief. The Capability Period shall be from May 1 through September 30.

CBL means the customer baseline load as calculated under the Company's Customer Baseline Load methodology. The Customer Baseline Load methodology is described in the Company's baseline operating procedure, which is published on the Company's website. The Company will advise Aggregators and Commission Staff of any potential changes to baseline options currently in the methodology by December 1 of each year and, if the Company proposes any changes, hold a meeting with concerned parties to obtain feedback about those changes by January 1 of each year. The Company will advise Aggregators and Commission Staff of any potential additional baseline options to be added to the methodology and, if the Company proposes any changes, hold a meeting with concerned parties to obtain feedback about those additional baseline options at least one month before they are to go into effect.

## GENERAL INFORMATION

### 13. SERVICE CLASSIFICATION RIDERS (Continued)

#### RIDER E (Continued)

#### COMMERCIAL SYSTEM RELIEF PROGRAM

##### DEFINITIONS (Continued)

CBL Verification Methodology means the methodology used by the Company to verify the actual Load Relief provided (kW and kWh) during each hour of each designated Load Relief Period and Test Event. Actual load levels are compared to the customer baseline loads to verify whether the Direct Participant or Aggregator provided the kW of contracted Load Relief; provided, however, that the Company may estimate the data pursuant to the Company's operating procedure if data is not available for all intervals.

Contracted Hours refers to the four-hour period within a weekday, Monday through Friday during the Capability Period excluding federal holidays, during which the Direct Participant or Aggregator contracts to provide Load Relief whenever the Company designates a Planned Event.

Direct Participant refers to a customer who enrolls under this Rider directly with the Company for a single customer account and agrees to provide at least 50 kW of Load Relief. If the customer wishes to enroll multiple customer accounts within the Company's service territory that collectively have a Load Relief potential of 50 kW or greater, each account must meet the terms of service in this Rider. Performance of multiple customer accounts will be measured on a portfolio basis.

Electric Generating Equipment refers to: (a) electric generating equipment at the premises of a customer served under SC No. 15 or under Standby Service or taking service under WDS and used to provide Load Relief under this Rider; or (b) emergency electric generating equipment that is interconnected and operated in compliance with General Information Section No. 8.4 and used to provide Load Relief under this Rider.

Load Relief refers to power (kW) and energy (kWh): (a) ordinarily supplied by the Company that is displaced by use of Electric Generating Equipment and/or reduced by the Direct Participant or Aggregator at the customer's premises; or (b) produced by use of Electric Generating Equipment by an SC No. 15 customer, a Rider N customer taking service under the Value Stack Tariff, or a customer taking service under WDS at the time of enrollment in Rider E, and delivered by that customer to the Company's distribution system during a Load Relief Period.

Load Relief Period refers to the hours for which the Company requests Load Relief when it designates a Planned Event or Unplanned Event.

## GENERAL INFORMATION

### 13. SERVICE CLASSIFICATION RIDERS (Continued)

#### RIDER F

#### DISTRIBUTION LOAD RELIEF PROGRAM

##### APPLICABILITY

Any customer who is qualified to take service under Service Classification Nos. 1, 2, 3, 9, 15, 19, 20, 21, or 22; and to any Aggregator that contracts to provide Load Relief of at least 50 kW during the Capability Period and meets the requirements of this Rider. Customers exporting to the NYISO or to third parties, either directly or through an aggregation, may also participate in Rider F. Service under this Rider is not available to participants in Rider D. Service under this Rider is also not available to customers who are otherwise contractually precluded from taking service under this Rider, either by their own contract or because they are represented by a third party that is contractually precluded.

##### DEFINITIONS

The following terms are defined for purposes of this Rider only:

Aggregator refers to a party other than the Company that represents and aggregates the load of customers who collectively have a Load Relief potential of 50 kW or greater and is responsible for the actions of the customers it represents, including performance and, as applicable, repayments to the Company. Aggregators will be allowed to establish up to three sub-aggregations provided, however, that each sub-aggregation must meet the existing 50 kW minimum Load Relief requirement for participation.

Capability Period under this Rider refers to the period during which the Company can request Load Relief. The Capability Period shall be from May 1 through September 30.

CBL means the customer baseline load as calculated under the Company's Customer Baseline Load methodology. The Customer Baseline Load methodology is described in the Company's baseline operating procedure, which is published on the Company's website. The Company will advise Aggregators and Commission Staff of any potential changes to baseline options currently in the methodology by December 1 of each year and, if the Company proposes any changes, hold a meeting with concerned parties to obtain feedback about those changes by January 1 of each year. The Company will advise Aggregators and Commission Staff of any potential additional baseline options to be added to the methodology and, if the Company proposes any changes, hold a meeting with concerned parties to obtain feedback about those additional baseline options at least one month before they are to go into effect.

Contingency Event refers to a Load Relief Period lasting four or more hours for which the Company provides two or more hours' advance notice.

## GENERAL INFORMATION

### 13. SERVICE CLASSIFICATION RIDERS (Continued)

#### RIDER F (Continued)

#### DISTRIBUTION LOAD RELIEF PROGRAM

##### DEFINITIONS (Continued)

CBL Verification Methodology means the methodology used by the Company to verify the actual Load Relief provided (kW and kWh) during each hour of each designated Load Relief Period and Test Event. Actual load levels are compared to the customer baseline loads to verify whether the Direct Participant or Aggregator provided the kW of contracted Load Relief; provided, however, that the Company may estimate the data pursuant to the Company's operating procedure if data is not available for all intervals.

Direct Participant refers to a customer who enrolls under this program directly with the Company for a single customer account and agrees to provide at least 50 kW of Load Relief. If the customer wishes to enroll multiple customer accounts within the Company's service territory that collectively have a Load Relief potential of 50 kW or greater, each account must meet the terms of service in this Rider. Performance of multiple customer accounts will be measured on a portfolio basis.

Electric Generating Equipment refers to: (a) electric generating equipment at the premises of a customer served under SC No. 15 or under Standby Service or taking service under WDS and used to provide Load Relief under this Rider; or (b) emergency electric generating equipment that is interconnected and operated in compliance with General Information Section No. 8.4 and used to provide Load Relief under this Rider.

Immediate Event refers to a Load Relief Period lasting six or more hours for which the Company provides less than two hours' advance notice.

Load Relief refers to power (kW) and energy (kWh): (a) ordinarily supplied by the Company that is displaced by use of Electric Generating Equipment and/or reduced by the Direct Participant or Aggregator at the customer's premises; or (b) produced by use of Electric Generating Equipment by an SC No. 15 customer or a Rider N customer taking service under the Value Stack Tariff, or a customer taking service under WDS at the time of enrollment in Rider F, and delivered by that customer to the Company's distribution system during a Load Relief Period.

**GENERAL INFORMATION**

**13. SERVICE CLASSIFICATION RIDERS (Continued)**

**RIDER N (Continued)**

**NET METERING AND VALUE STACK TARIFF FOR CUSTOMER-GENERATORS**

**BILLING – VALUE STACK TARIFF**

(C) (Continued)

(1) Value Stack Energy Component (Continued)

Customer-generators participating under the Wholesale Value Stack, as specified in the Wholesale Value Stack Section of this Rider, either directly or through an aggregation, will not receive the Value Stack Energy Component.

**GENERAL INFORMATION**

**13. SERVICE CLASSIFICATION RIDERS (Continued)**

**RIDER N (Continued)**

**NET METERING AND VALUE STACK TARIFF FOR CUSTOMER-GENERATORS**

**BILLING – VALUE STACK TARIFF (Continued)**

(C) (Continued)

(2) Value Stack Capacity Component (Continued)

(e) Alternative 3: The Value Stack Capacity Rate 3 will be the capacity rate as shown on the Value Stack Credits Statement and will be determined by the NYISO ICAP monthly auction market clearing prices applicable in the current billing period and the applicable reserve requirement. The credit under Alternative 3 will be the product of: (1) the NYISO ICAP market clearing price in effect during the current billing period; (2) the applicable reserve requirement; (3) the customer-generator's net injection during the New York Control Area ("NYCA") peak hour of the previous calendar year; and (4) the applicable loss factor set forth in General Information Section No. 25.

If metering was not in place to measure the customer-generator's net injection during the NYCA peak hour of the previous calendar year, then the Company will estimate such net injection during that hour.

Customer-generators participating under the Wholesale Value Stack, as specified in the Wholesale Value Stack Section of this Rider, either directly or through an aggregation, will not receive the Value Stack Capacity Component.

## GENERAL INFORMATION

### 13. SERVICE CLASSIFICATION RIDERS (Continued)

#### RIDER N (Continued)

#### NET METERING AND VALUE STACK TARIFF FOR CUSTOMER-GENERATORS

##### WHOLESALE VALUE STACK

Value Stack Customers, including customers served under paragraph (K) of the Applicability Section of this Rider, exporting to the NYISO or to third parties, either directly or through an aggregation, can take service under the Wholesale Value Stack ("WVS") as follows:

- (A) WVS Customers will receive payment for their energy and capacity (if applicable) components directly from the NYISO in lieu of the Company's Value Stack Energy Component and Value Stack Capacity Component under the Billing – Value Stack Tariff Section of this Rider.
- (B) WVS Customers are still eligible to receive the applicable compensation under the Value Stack Tariff subject to the provisions of the Billing – Value Stack Tariff Section of this Rider: the Environmental Component, Market Transition Credit ("MTC") Component, Demand Reduction Value ("DRV") Component, Locational System Relief Value ("LSRV") Component, and the Community Credit Component.
- (C) An existing Value Stack Tariff Customer electing to take service under the WVS must make that election by August 1 for such service to be effective the following May 1. Similarly, an existing WVS Customer who then elects to export directly to the Company under the Value Stack Tariff must notify the Company by August 1 for such service to be effective the following May 1.
  - (1) If the customer-generator was previously enrolled in the Value Stack, the customer-generator must return to its Value Stack Capacity Component compensation election. In addition, such customer-generator will retain the same Value Stack eligibility date as well as any Value Stack component rates elected at the time of the previous Value Stack eligibility.
  - (2) If the customer-generator was not previously enrolled in the Value Stack, the customer-generator must elect any eligibility date-specific component rates at the time the project notifies the Company of the project's intent to switch from WVS to Value Stack.
  - (3) All customer-generators opting into the Value Stack from the WVS will have a term based on the Value Stack compensation methodology and the start date of such term will be based on the project's original interconnection to the Company's distribution system.

**GENERAL INFORMATION**

**13. SERVICE CLASSIFICATION RIDERS (Continued)**

**RIDER N (Continued)**

**NET METERING AND VALUE STACK TARIFF FOR CUSTOMER-GENERATORS**

**WHOLESALE VALUE STACK (Continued)**

- (D) Customers who are not yet interconnected to the Company's distribution system that are eligible for the Value Stack and that elect to participate in WVS must notify the Company at time of the customer's Value Stack eligibility date to receive compensation under the WVS at the time of successful enrollment with the NYISO.
- (E) A WVS Customer must also take service under WDS and execute the applicable agreement for Wholesale Distribution Service.
- (F) WVS Customers must meet all of the eligibility and metering requirements that a Value Stack Customer must meet.

Customers exporting to the NYISO or to third parties, either directly or through an aggregation, are ineligible to participate in Grandfathered Net Metering or Phase One Net Metering.

## GENERAL INFORMATION

### 13. SERVICE CLASSIFICATION RIDERS (Continued)

#### RIDER P

#### TERM- AND AUTO- DYNAMIC LOAD MANAGEMENT PROGRAMS

##### APPLICABILITY

Any customer who is qualified to take service under Service Classification Nos. 1, 2, 3, 9, 15, 19, 20, 21, or 22; and to any Aggregator that contracts to provide Load Relief of at least 50 kW during the Capability Period and meets the requirements of this Rider. Customers exporting to the NYISO or to third parties, either directly or through an aggregation, may also participate in Rider P.

##### DEFINITIONS

###### 1. Programs

Term Dynamic Load Management (“DLM”) program (“Term-DLM”) is generally activated for peak shaving when the day-ahead system electric load forecast meets or exceeds a specified percentage of forecasted system peak, as specified in the Program Agreement. An event called under this condition shall be defined as a Term-DLM Event.

Auto Dynamic Load Management program (“Auto-DLM”) is a program activated by the Company for the following conditions: (1) as a contingency program to prevent or mitigate critical situations on the utility’s electric grid; or (2) for peak shaving purposes using the same activation criteria as for Term-DLM. An event called under condition (1) shall be defined as an Auto-DLM Event.

###### 2. Definitions applicable to both Term- and Auto-DLM

Advisory refers to the Company’s notice that the Company’s day-ahead forecasted load level is at least the percent of the forecasted system peak specified in the Program Agreement. Day-ahead and summer peak forecast information for the system will be posted to the Company’s website.

Aggregation means all customers represented by an Aggregator.

Aggregator refers to a party other than the Company that represents and aggregates the load of customers who collectively have a Load Relief potential of 50 kW or greater under Term- or Auto-DLM and that is responsible for the actions of the customers it represents, including performance and, as applicable, repayments to the Company.

Capability Period under this Rider refers to the period from May 1 through September 30.

## GENERAL INFORMATION

### 13. SERVICE CLASSIFICATION RIDERS (Continued)

#### RIDER P

#### TERM- AND AUTO- DYNAMIC LOAD MANAGEMENT PROGRAMS

##### DEFINITIONS (Continued)

2. Definitions applicable to both Term- and Auto-DLM (Continued)

CBL means the customer baseline load as calculated under the Company's Customer Baseline Load methodology using the baseline options listed in the methodology. The Customer Baseline Load methodology is described in the Company's baseline operating procedure, which is published on the Company's website. The Company will advise Aggregators and Department of Public Service Staff of any potential changes to baseline options currently in the methodology by December 1 of each year and, if the Company proposes any changes, hold a meeting with concerned parties to obtain feedback about those changes by January 1 of each year. The Company will advise Aggregators and Department of Public Service Staff of any potential additional baseline options to be added to the methodology and, if the Company proposes any changes, hold a meeting with concerned parties to obtain feedback about those additional baselines at least one month before they are to go into effect.

CBL Verification Methodology means the methodology used by the Company to verify the actual Load Relief provided (kW and kWh) during each hour of each designated Load Relief Period and Test Event. Actual load levels are compared to the customer baseline loads to verify the amount of Load Relief in kW provided by a Direct Participant or Aggregator; provided, however, that the Company may estimate the data pursuant to the Company's operating procedure if data is not available for all intervals.

Direct Participant refers to a customer who enrolls under Term- or Auto-DLM directly with the Company for a single Orange and Rockland account and agrees to provide at least 50 kW of Load Relief.

Electric Generating Equipment refers to: (a) electric generating equipment at the premises of a customer served under Standby Service, Rider N, or SC 15 or taking service under WDS and used to provide Load Relief under this Rider; or (b) emergency electric generating equipment that is interconnected and operated in compliance with General Information Section 8.4 and used to provide Load Relief under this Rider.

## GENERAL INFORMATION

### 13. SERVICE CLASSIFICATION RIDERS (Continued)

#### RIDER P

#### TERM- AND AUTO- DYNAMIC LOAD MANAGEMENT PROGRAMS

##### DEFINITIONS (Continued)

2. Definitions applicable to both Term- and Auto-DLM (Continued)

Load Relief refers to power (kW) and energy (kWh): (a) ordinarily supplied by the Company that is displaced by use of Electric Generating Equipment and/or reduced by the Direct Participant or Aggregator at the customer's premises; or (b) produced by use of Electric Generating Equipment by an SC 15 customer or a Rider N customer taking service under the Value Stack Tariff, or a customer taking service under the WDS at the time of enrollment in Rider P, and delivered by that customer to the Company's distribution system during a Load Relief Period.

Load Relief Period refers to the hours for which the Company requests Load Relief during: (a) a Term-DLM Event, which can also include Auto-DLM participants; or (b) an Auto-DLM Event. A Load Relief Period may be designated under Auto-DLM in specific feeders or geographical areas the Company's distribution control center declares an emergency or if a voltage reduction of five percent or greater has been ordered. The Company will not request Load Relief under Auto-DLM between the hours of 12:00 AM and 6:00 AM.

Portfolio Quantity means for each Aggregation of an Aggregator or Direct Participant, the amount of Load Relief measured in kW that the Aggregator or Direct Participant has agreed to provide based on the Program Agreement, net of any kW connected with Early Exit fees paid in association with that Aggregation.

Program Agreement refers to the specific terms and conditions that apply to Aggregators and Direct Participants based on signed contracts associated with their Vintage Year.

Test Event refers to the Company's request under the Reservation Payment Option of either Term- or Auto-DLM for Direct Participants and Aggregators to provide Load Relief in order to test participants' response to a request for Load Relief. The duration of a Test Event is one hour for both Term- and Auto-DLM. If a Test Event is called under Term-DLM, Load Relief will be requested within the four-hour span of Contracted Hours. If called under Auto-DLM, Load Relief will be requested at a time determined solely at the Company's discretion but not between the hours of 12:00 AM and 6:00 AM.

Vintage Year refers to the first Capability Period an Aggregator or Direct Participant is contractually obligated to participation in.

## GENERAL INFORMATION

### 16. ADDITIONAL DELIVERY CHARGES AND ADJUSTMENTS (Continued)

#### 16.5 VALUE OF DISTRIBUTED ENERGY RESOURCES ("VDER") COST RECOVERY

The Company will recover the following credits paid to customers, as applicable, served under the Value Stack Tariff and Wholesale Value Stack Tariff as described in Rider N of this Rate Schedule: (1) the Value Stack Energy Component credit; (2) the Value Stack Capacity Component credit; (3) the Environmental Component credit; (4) the Market Transition ("MTC") Component Credit; (5) the Demand Reduction Value ("DRV") Component credit; (6) the Locational System Relief Value ("LSRV") Component credit; and (7) the Community Credit Component.

The Value Stack Capacity Component credits and Environmental Component credits will each be composed of a Market Value and Out of Market Value. The Value Stack Energy Component credit will be included as a Market Supply Charge cost and the Market Value portion of the Environmental Component credit will be collected through the Clean Energy Standard Supply Surcharge. The remainder of the component credits ("Value Stack Delivery Cost Component Credits") will be collected from all customers served under this Rate Schedule.

For purposes of the recovery of the Value Stack Delivery Cost Component Credits, the following service classification groups have been established:

- Group 1: SC Nos. 1 and 19
- Group 2: SC No. 2 Secondary – Non-Demand Billed
- Group 3: SC Nos. 2 – Secondary – Demand Billed, and 20
- Group 4: SC Nos. 2 – Primary, 3, and 21
- Group 5: SC Nos. 9 and 22
- Group 6: SC Nos. 4, 5, 6, and 16

#### (A) Value Stack Capacity Components Cost Recovery

The credits paid to customer-generators for the Value Stack Capacity Component will be divided into two pieces – the Market Value and Out of Market Value. The Market Value portion of the credits will be determined for every month by multiplying the injections into the Company's system from all Value Stack customer-generators during the New York Control Area peak hour from the previous calendar year by the average price for capacity for that month. The Out of Market Value portion of the credits is equal to the difference between the actual dollar value of credits and the Market Value portion of the credits.

## GENERAL INFORMATION

### 24. STANDBY SERVICE AND STANDBY SERVICE RATES (Continued)

Unless otherwise required to take Standby Service Rates or exempt from Standby Service Rates pursuant to 24.5(A) or 24.5(D) of this General Information Section, non-residential demand-billed customers, with or without a generating facility, can elect to be billed under Standby Service Rates (“Rate Choice Customers”). A Rate Choice Customer may elect to change its billing rate to or from Standby Service Rates no more than once every 12 months. All such notices must be made at least 30 days in advance in writing. A Rate Choice Customer will be billed under Standby Service Rates commencing with the first full billing period for which interval metering data is available subsequent to the Company’s receipt of notice of such election. Subsequent changes will become effective with the first full billing period. Rate Choice Customers served under Rider N, or who do not have on-site generation equipment, or have emergency generating facilities used pursuant to General Information Section No. 8.4, are not subject to the Interconnection Requirements and Interconnection Charges sections and 24.5(E) of this General Information Section.

Customers with Stand-Alone Electric Energy Storage systems charging for wholesale purposes will be billed pursuant to WDS. Except for General Information Section No. 24.2, the remainder of General Information Section No. 24 does not apply to these customers.

Unless the customer is a Rate Choice Customer, Standby Service is Not Applicable To:

- (1) customers whose only generating units are emergency generators that are installed and operated in accordance with General Information Section No. 8 of this Rate Schedule;
- (2) customers having electric generating systems served under Rider N, except for customers served under paragraph (K) of the Applicability Section of Rider N; and
- (3) unmetered service and separately metered space heating provided under Service Classification No. 2 of this Rate Schedule.

**SERVICE CLASSIFICATION NO. 15 (Continued)**

**SPECIAL PROVISIONS: (Continued)**

- (H) Customers exporting to the NYISO or to third parties, either directly or through an aggregation, are ineligible to take service under SC 15. An existing SC 15 customer electing to export to the NYISO or to third parties must make that election by August 1 for such service to be effective the following May 1. Similarly, a customer exporting to the NYISO or to third parties who elects to export to the Company under SC 15 must notify the Company by August 1 for such service to be effective the following May 1. Customers who are not yet interconnected to the Company's distribution system that are eligible to take service under this service classification and that elect to export to the NYISO or to third parties, either directly or through an aggregation, must notify the Company at the time of their interconnection application and will take service under the WDS tariff on file with FERC.

**PROPOSED RULE MAKING  
NO HEARING(S) SCHEDULED**

**Tariff Proposals to Preclude Dual Market Participants from Receiving Duplicative Compensation in both Wholesale and Retail Markets Concurrently and Other Conforming Changes in Connection with the New York Independent System Operator's Implementation of FERC Order Nos. 2222 and 841**

**I.D. No.**

PURSUANT TO THE PROVISIONS OF THE State Administrative Procedure Act, NOTICE is hereby given of the following proposed rule:

**Proposed Action:** The Commission is considering a proposal filed by Orange and Rockland Utilities, Inc. (the Company) to modify its Schedule for Electric Service – P.S.C. No. 3 Electricity, pursuant to FERC Order Nos. 2222 and 841.

**Statutory authority:** Public Service Law, sections 65 and 66

**Subject:** Tariff proposal pursuant to FERC Order Nos. 2222 and 841.

**Purpose:** Tariff proposal to clarify customer eligibility to participate in its DER retail programs when such DER also participate in the NYISO markets, to prevent duplicative compensation for the same service, and to maximize dual participation opportunities for customers by proposing a new option for Value Stack Customers called the Wholesale Value Stack.

**Substance of proposed rule:** The Commission is considering a tariff filing filed by Orange and Rockland Utilities, Inc. on September 30, 2022, proposing to modify its Schedule for Electric Service - P.S.C. No. 3 Electricity, pursuant to FERC Order Nos. 2222 and 84. The full text of the tariff filing and the full record of the proceeding may be reviewed online at the Department of Public Service web page: [www.dps.ny.gov](http://www.dps.ny.gov). The Commission may adopt, reject or modify, in whole or in part, the action proposed and may resolve related matters.