



Interconnection Earning Adjustment Mechanism (IEAM) Stakeholder Engagement Meeting

October 17, 2016 in Albany, NY and via Webinar

Presentation material is in draft form, as the views of the Joint Utilities of New York are evolving while IEAM topics are still under discussion

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Agenda



Purpose: Provide the opportunity for stakeholders to share their perspectives on the interconnection earning adjustment mechanism (IEAM) as proposed in the Joint Utilities of New York filing, dated Sept. 2, 2016, with the State of New York Public Service Commission (PSC).

Time	Topic
10:00 – 10:15	Introductions
10:15 – 10:30	NY PSC Presentation <ul style="list-style-type: none">• Jason Pause (PSC)
10:30 – 11:00	Overview of Track 2 / IEAM <ul style="list-style-type: none">• Ray Kinney (Avangrid)
11:00 – 11:30	Overview of IEAM Survey <ul style="list-style-type: none">• Heather Driscoll (ICF)
11:30 – 12:30	Stakeholder Presentations
12:30 – 1:00	Lunch
1:00 – 2:45	Q&A Session <ul style="list-style-type: none">• Facilitated by Craig Schultz (ICF)
2:45 – 3:00	Wrap-up & Next Steps

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JU IEAM Stakeholder Engagement Ground Rules



- All stakeholder engagement meetings, webinars, and other information exchanges are designed solely to provide an open forum or means for the expression of various points of view in compliance with antitrust laws.
- Under no circumstances shall stakeholder engagement activities be used as a means for competing companies to reach any understanding, expressed or implied, which tends to restrict competition, or in any way, to impair the ability of participating members to exercise independent business judgment regarding matters affecting competition or regulatory positions.
- Proprietary information shall not be disclosed by any participant during any stakeholder engagement meeting or its subgroups. In addition, no information of a secret or proprietary nature shall be made available to stakeholder engagement members.
- All proprietary information which may nonetheless be publicly disclosed by any participant during any stakeholder engagement meeting or its subgroups shall be deemed to have been disclosed on a non-confidential basis, without any restrictions on use by anyone, except that no valid copyright or patent right shall be deemed to have been waived by such disclosure.
- Discussions will be open forums without attribution, and no public documents will be produced unless publication is agreed upon by the group.

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PSC Presentation

Jason Pause (PSC)

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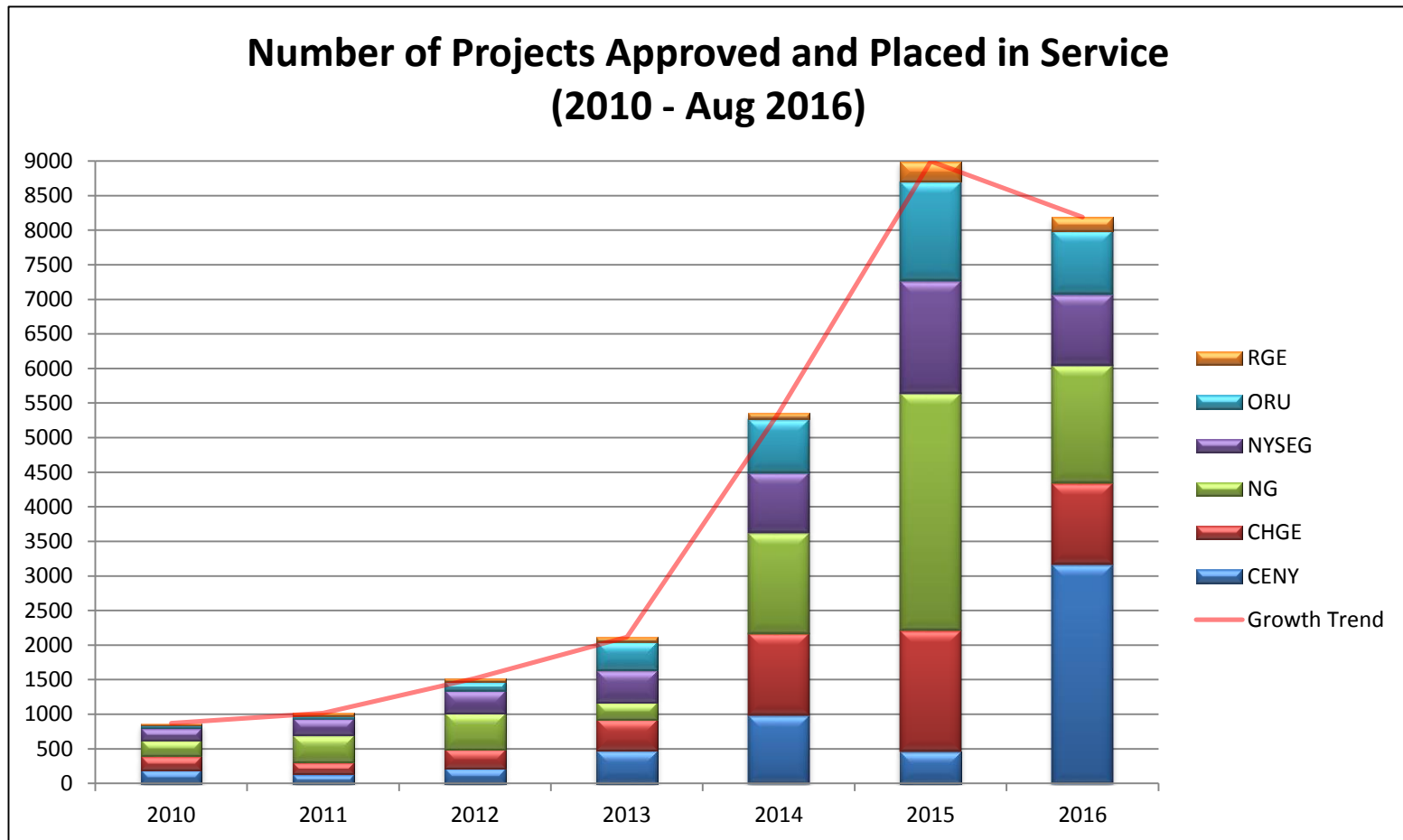


**Department
of Public Service**

Interconnection Process Initiatives

October 17, 2016

Trend of Project Completions 2010 - August 2016



New York State

SIR Inventory Queue: Number of Projects (PV Only) by kW Range as of August 2016

	<u>kW Range</u>						
<u>Company</u>	0-50	50-300	300-1000	1000-2000	2000-5000	Total Projects	Total kW
National Grid	1,892	163	74	656	-	2,785	1,381,740
Con Edison	2,114	83	35	5	-	2,237	52,076
Central Hudson	582	15	11	363	-	971	732,698
Orange and Rockland	756	12	12	253	1	1,034	518,030
NYSEG	423	54	26	488	-	991	993,360
RGE	76	9	5	36	-	126	74,992
PSEG	720	1	-	-	-	721	4,764
Total	6,563	337	163	1,801	1	8,865	3,757,660

- Significant DG uptake in 2015 and first half of 2016
- Large projects driven by remote net metering, introduction of community DG, and changes to NM crediting
- Volume and incoming rate of large DG applications have challenged utility processes, but the CESIR study backlog was largely resolved by July 2016

Weekly Utility CESIR Data:

Date (Monday of each week): 9/12/2016

Weekly Utility CESIR Data:					
Date (Monday of each week): 9/12/2016					
Utility	Projects w/ CESIR Required, Not Paid	Projects w/ CESIR Required, Paid/Started	Projects w/ CESIR Required, Paid/ On Hold	Overdue CESIR's Paid For (60 business Days)	CESIR's Completed
NYSEG	252	37	0	0	3
RGE	5	12	0	0	0
N Grid	548	30	11	0	1
CHGE	342	5	0	0	0
ORU	259	202	0	0	1
Con Ed	0	0	0	0	0
PSEG-LI	7	7	0	0	0
Totals	1413	293	11	0	5

Interconnection Technical Working Group

- Goal: identify, discuss, and resolve technical barriers and challenges affecting the interconnection of distributed generation.
- Includes representatives from State Agencies, Utilities, and DG developers
- Technical consultant (NREL) to assist evaluation process and technical document development
- Initial Topics: Substation Backfeeding / Anti-Islanding Protections / Control & Monitoring
- Current focus is on role of DTT – see September 27, 2016 meeting materials
- These and more information on ITWG at <http://www3.dps.ny.gov/W/PSCWeb.nsf/All/DEF2BF0A236B946F85257F71006AC98E?OpenDocument>

State Interconnection Ombudsmen

ACTIONS

STATUS

- | | |
|---|--------------|
| • Increase transparency of queue information | Accomplished |
| • Deploy technical support consultant to work on resolving “hot” issues with individual projects | Accomplished |
| • Identify known areas with DG constraints and develop maps showing these areas | Accomplished |
| • Assist DG developers with complaints, questions, or delays | |
| • Assist DG developers, primarily in solar PV, better understand the process and time line for interconnection on the electrical system per the State’s Standardized Interconnection Requirements (SIR) | Ongoing |
| • Clear inactive projects (hundreds to date) | Ongoing |
| • Develop and implement interconnection queue management proposal | In progress |

Interconnection Policy Working Group

- Goal: develop consensus based solutions and recommendations on policy issues related to the interconnection of DG
- Includes representatives from utilities, DG developers, trade associations, non-governmental organizations, and customer representatives
- First task: develop a queue management proposal
 - Developer participants and utilities have reached agreement on how to manage the backlog of applications
 - Proposal includes an interim cost sharing methodology
- Monetary Remote Net Metering Grandfathering
 - IPWG developed a proposal to extend in-service deadline for certain projects
 - This was filed at the Commission by a subgroup of the solar industry participants on September 23
- More information on IPWG at
<http://www3.dps.ny.gov/W/PSCWeb.nsf/All/0D7596DBBEF0380885257FD90048ADFA?OpenDocument>

Interconnection Online Application Portal (IOAP) Efforts

- State has retained EPRI to support effort to streamline aspects of the interconnection process
- EPRI is now developing a functional specification for an Interconnection Online Application Portal based on existing Gap Analysis, software vendor capabilities and REV/DSIP Orders
- DPS Staff / Utilities / NYSERDA working to determine priority and goals for the IOAP
- Individual IOAP implementation plans submitted by utilities in June DSIP filings
- Joint Utilities implementation plans due with the Supplemental DSIP filings in November

DPS/NYSERDA Interconnection Team

Interconnection Technical Working Group Issues:

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Interconnection Ombudsperson(s) & Policy Working Group Issues:

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Overview of IEAM within REV Track Two Order

Ray Kinney (Avangrid)

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Track 2 / IEAM Overview



- REV Track 2 Order – Five EAMs
- Interconnection EAM

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Earnings Adjustment Mechanisms (EAMs)

- “Outcome-based” utility incentives intended to help create customer savings and develop market-enabling tools
- EAMs as a bridge: need for EAMs may diminish over time as utilities benefit from new market opportunities that generate Platform Service Revenues (PSRs)
- EAM formulas will depend on specific circumstances, nature of the goal, and underlying activities that are likely to achieve the goal.
- In general, financial details to be developed within rate cases with respective EAM weights to reflect value in each service territory, utility capabilities, and financial circumstances

Five Initial EAMs

	EAM	Goals	Schedule
1	System Efficiency	<ul style="list-style-type: none"> Improve overall system efficiency Peak reduction to reduce the need for investment in bulk power, transmission and distribution facilities. Load factor improvement. 	Utility proposals by December 1, 2016.
2	Energy Efficiency	<ul style="list-style-type: none"> Support transformation to market-based energy efficiency Locational EE measures, EE bundled with other DERs, and market transformation efforts that reduce energy intensity 	CEAC proposal by November 4, 2016.
3	Customer Engagement	<ul style="list-style-type: none"> Promote adoption and success of innovative utility programs 	Utility proposals at any time.
4	Interconnection	<ul style="list-style-type: none"> Improve the interconnection process for projects > 50 kW Address quality of applications, timeliness, and interconnection costs 	Utility proposals and survey instrument by August 1, 2016. Extension granted to Sept 2 nd .
5	Clean Energy Standard	<ul style="list-style-type: none"> Achievement of CES goals and the associated costs 	Stakeholder process within 90 days of the Commission Clean Energy Standard (8/1/16).

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Interconnection EAM: Specific Commission Order Requirements



- Utility-specific near-term efforts to improve interconnection reported in their June 30, 2016 Initial DSIP filings
- NY SIR became effective on April 29, 2016
- Two Components of the EAM:
 - A threshold condition based on adherence to the timeliness requirements established in the SIR; and
 - A positive adjustment based on an evaluation of application quality and the satisfaction of applicants with the process, as measured by:
 - 1) a survey of applicants to assess overall satisfaction, and
 - 2) a periodic and selective third party audit of failed applications to assess accuracy, fairness, and key drivers of failure in order to support continual process improvement.

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The Joint Utilities' IEAM Addresses Three Commission Priorities



- SIR timeliness objectives (Incentive proposed based on performance on three requirements in SIR)
 - 10 business days to determine application completeness
 - 15 business days for preliminary screening
 - 60 or 80 days to complete the CESIR
- Satisfaction of SIR applicants with interconnection process (Incentive proposed and described in more detail later)
- Review utility activities related to withdrawn or abandoned applications (No incentive proposed)
 - Establish and application closeout process
 - Process Improvement will complement other efforts
 - Interconnection Technical Working Group (ITWG)
 - Interconnection Policy Working Group (IPWG)
 - Utility Ombudspersons

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Overview of IEAM Survey

Heather Driscoll (ICF)

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Interconnection Survey Overview



- Objectives
- Process and Activities
- Sampling Design
- Data Collection Plan
- Survey Questionnaire

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Interconnection Survey: Objectives



Objectives: Develop Survey Questionnaire and Methods that

- Maximize response rate
- Minimize bias in data
- Yield a consistent survey metric
- Enable actionable process improvement insights

ICF's Survey Team

- Nationally experienced in survey design and development, including utility-specific experience
- 120 experts in survey methodology, statistical sampling, survey implementation, and analysis
- Utilize industry best practices

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Interconnection Survey: Process and Activities



In collaboration with the Joint Utilities, we have developed:

- Sampling plan that defines the survey population and unit of analysis
- Survey questionnaire that covers the new SIR process
- Survey metric components
- Data collection plan that maximizes the response rate and other key indicators of data quality through an effective data collection protocol
- Analysis plan that describes planned analyses and minimum sample thresholds
- Materials to support survey respondents: advance letter and FAQs

We continue to refine these methods:

- Cognitive Interviews to test the survey questionnaire (September- early November)
- Feedback via stakeholder engagement meeting (October)
- Field testing

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Interconnection Survey: Sampling Plan

- Unit of Analysis: Completed Application
- Eligible applications = energized projects above 50 kW under the new SIR
- Target Respondent : “Project Manager”
- Sample Frame
 - Application identifiers (project ID/description/address)
 - Respondent contact information (name, telephone number, email address, etc.)
 - Stratification/analytic variables (e.g., project size)
- Sample Selection
 - Monthly sample (or census)
 - Select project managers
 - If less than three applications/PM, select all
 - If more than three applications/PM, select three at random

Interconnection Survey: Data Collection Plan



- Survey Mode: Telephone
 - Advantages of telephone mode for this project
- Survey Frequency: Monthly
 - Improved recall
 - Call backs and appointments
- Design elements to maximize response and reduce burden:
 - Computer-Assisted Telephone Interviewing (CATI)
 - Interviewer training
 - Support materials
 - Advance letter
 - FAQs
- Data Analysis
 - Key statistics, including survey metric, computed annually

Interconnection Survey: Questionnaire



- Approximately 12 minutes to complete
- Mix of closed-ended (responses categories provided) and open-ended (free response) questions
- 0-10 Ratings Scale
 - Bi-polar scale with a midpoint (5)
 - Easier for respondents to rate performance.
 - Facilitates computation of the survey components of the metric
- Five questionnaire sections
 - Tied directly to SIR
 - Designed to track concerns and handling the SIR process

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Interconnection Survey: Questionnaire



- Questionnaire Sections:
 - **Screening questions:** These questions help confirm that the interviewer is speaking to the appropriate respondent. Responses to these questions will help the interviewer to determine an optimal time and person or group of people to speak with.
 - **Overall satisfaction questions:** These questions are placed in the beginning of the survey in order to capture top-of-mind responses, without influence from the more specific questions below.
 - **Interconnection process-specific questions:** These questions serve the purpose of providing quantitative and qualitative feedback to the utilities on specific aspects of the interconnection process.
 - **General process improvement questions:** These questions aid in improving utility-stakeholder interactions.
 - **Benchmarking questions:** These questions allow the utilities to compare applicants' experience in New York to their experiences in other states.

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Lunch

Q&A Session

Facilitated by Craig Schultz (ICF)

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Parameters for Stakeholder Q&A



- Plan for the Q&A Session
 - Complete discussion of any prominent topics from the morning presentations, as needed
 - Q&A on structured questions related to the three IEAM elements. The questions are provided on the next three pages to add clarity.
 - Survey
 - Review of withdrawn or abandoned applications
 - SIR timeliness
 - Open Q&A
- Input from webinar participants will be sought on an equal basis as in-person participants
- Discussion focuses exclusively on the IEAM
 - There are separate venues for commenting on other aspects of interconnections
- Discussion focuses exclusively on Joint Utilities issues
 - Stakeholders can comment on forthcoming individual utility filings related to the IEAM in the normal course of the regulatory process
- Please link suggestions directly to the proposals and language in the September 2nd IEAM filing, where possible

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Structured Questions for Stakeholder Q&A (slide 1/3)



IEAM Element: Survey

Q1. Which of the questions in the survey (appended to the Joint Utilities' September 2 IEAM filing with the PSC) do you see as most productive? Are there additional questions you suggest including in the survey? Are there any questions that should be considered for deletion?

Q2. The Joint Utilities are interested in encouraging maximum participation in the survey. To that end, do you foresee any difficulties participating in the survey? If so, what would you suggest to drive greater participation? For developers, who from within your organization will be best able to complete the survey?

Q3. What is your overall impression of the survey?

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Structured Questions for Stakeholder Q&A (slide 2/3)



IEAM Element: Review of Withdrawn or Abandoned Applications

Q4. What are the most common reasons that you have experienced for withdrawn or abandoned applications and how do they track with the dozen possible reasons listed on pages 13-14 of the September 2 IEAM filing?

Q5. How do you see the issue or experience of withdrawn or abandoned applications changing as times goes on and all parties gain more experience with the new SIR process?

Q6. What suggestions (content, communications, timing, etc.) do you have to ensure the success of an interconnection application “closeout” process for collecting withdrawn or abandoned application information?

Q7. What findings from a closeout checklist do you think may help to improve utility performance? Distributed generation developer performance?

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Structured Questions for Stakeholder Q&A (slide 3/3)



IEAM Element: SIR Timeliness

Q8. What overall feedback do you have on the SIR timeliness element?

IEAM Elements: All

Open discussion

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Wrap – up & Next Steps

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visit our website www.jointutilitiesofny.org for more information

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