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DER Sourcing

Summary of April 20, 2017 Stakeholder Engagement Group Meeting



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DER Sourcing Stakeholder Engagement Session

- April 20, 2017, Con Edison Offices, NYC
- Topics:
 - Reviewed key themes from 2016 stakeholder sessions on NWA Suitability Criteria and DER Sourcing
 - Shared JU DER Sourcing Team 2017 planned activities in support of commitments outlined in the November 2016 SDSIP filing
 - Provided an overview of proposed 2017 stakeholder engagement plans in support of the JU implementation efforts
 - Provided an overview of the end-to-end NWA sourcing process and provided detailed discussion around key steps in the process
 - Updated stakeholders on the JU's current process for applying the established NWA Suitability Criteria to projects identified in the current Capital Investment Plans
 - Reviewed the process to advance identified NWA opportunities towards a RFP
 - JU solicited stakeholder feedback on all topics discussed



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Summary: Joint Utilities Compliance Filing

- The March 9th DSIP filing Commission Order regarding Suitability Criteria reads:
Submit a filing within 60 days of this order, in Case 16-M-0411, clearly describing how the Suitability Criteria will be incorporated into utility planning procedures, and how and when the Suitability Criteria will be applied to projects in their current capital plans
- The JU described the elements that would be included in the filing and presented a draft filing outline
- The JU filed the JU NWA Sourcing Process on May 8, 2017:
<http://documents.dps.ny.gov/public/MatterManagement/CaseMaster.aspx?MatterCaseNo=16-M-0411&submit=Search>
- The JU referred to the graphic on slide 4 to describe the various steps in the NWA Sourcing process



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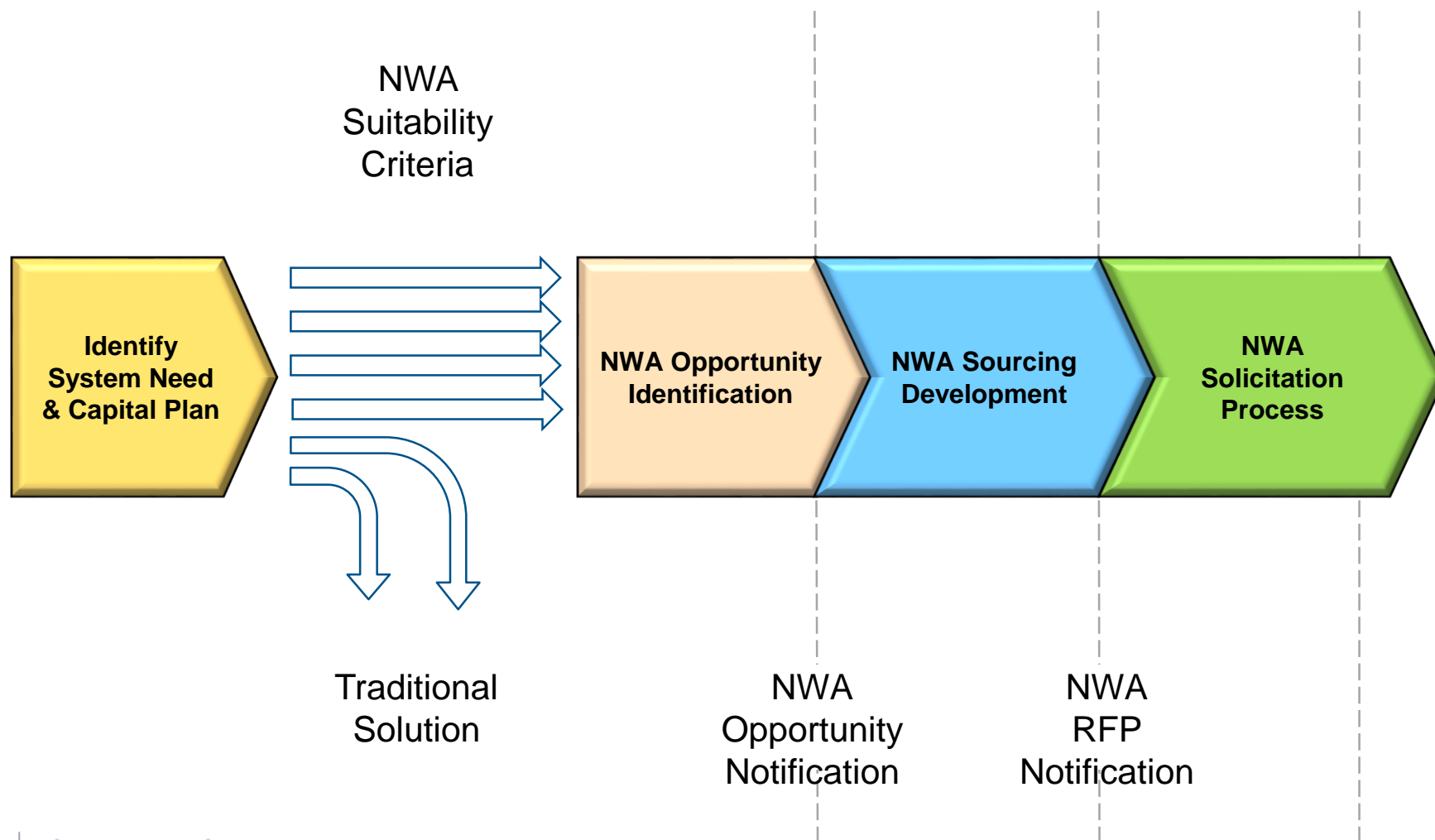
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Planning Process and Sourcing Overview



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Stakeholder Feedback on the NWA Sourcing Process

Stakeholder Input	Discussion Points	Next Steps
Stakeholders requested greater transparency and visibility into the sourcing process and made several suggestions about the overall process as well as more specific comments and suggestions for specific process elements.	<ul style="list-style-type: none"> Stakeholders felt the overview of the JU NWA sourcing process was useful, particularly timing of identifying NWA opportunities and resulting solicitations. The graphic used by the Joint Utilities to present the overview of the process was helpful The JU reinforced that the stakeholder engagement sessions planned for later in the year will provide the opportunity to report JU progress as well as refinements based on stakeholder input and lessons learned 	OPEN – Further discussion needed. The Joint Utilities agreed to work with stakeholders on refining and improving the overall process as lessons are learned through 2017



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Stakeholder Feedback on Identifying System Need

Stakeholder Input	Discussion Points	Next Steps
Environmental policy goals should be incorporated as part of the planning process	<ul style="list-style-type: none">JU acknowledge that some environmental impacts are currently reflected in the planning processWhen the BCA is applied, some environmental goals are included in the BCA and taken into considerationThe JU also noted that by using the NWA Suitability Criteria to identify DER projects, they are advancing solutions that contribute to environmental policy objectives.This feedback was incorporated into the May 8 filing	CLOSED - with continued discussion as needed



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Stakeholder Feedback on Identifying System Need

Stakeholder Input	Discussion Points	Next Steps
<p>Stakeholders suggested the JU consider the relationship between probabilistic load forecasting and NWA procurement.</p> <p>Stakeholders suggested NWA procurements could, where appropriate, request bidders to propose a base resource size and price and include option(s) for incremental resource additions.</p>	<ul style="list-style-type: none"> Example discussed: a load relief requirement forecast for 7 MW in 5 years using deterministic forecasting may (through use of a probabilistic approach) represent a need that could range from 5 MW to 9 MW in 3-7 years, depending on variables. NWA procurements that would allow for a 5 MW solution sooner with options for incremental MW expansion in following years could be a more cost-effective approach than a single size solution targeted for a specific implementation date. JU responded that further discussion is warranted and the forecasting approach is more appropriately addressed by the Forecasting WG. Where appropriate, DER Sourcing group could work with stakeholders to consider developing RFPs that could include bidders offering a base resource size and price along with optional pricing for incremental resource additions over time 	<p>OPEN – Further discussion is needed</p> <ul style="list-style-type: none"> The JU DER Sourcing WG will coordinate with the Forecasting WG to discuss probabilistic load forecasting and potential implications for NWA procurements The JU will continue dialog with stakeholders on solicitation approaches



Stakeholder Feedback on Identifying System Need

Stakeholder Input	Discussion Points	Next Steps
Stakeholders requested utilities consider expanding the suitability criteria to include more project types	<ul style="list-style-type: none"> JU commented that the rationale and approach for finding NWAs as a means to accelerate deployment of DER on the system and the subsequent creation of the suitability criteria was developed with stakeholder input in 2016 as part of the SDSIP JU are currently applying the NWA suitability criteria to their capital plans and developing processes to increase transparency and stakeholder awareness and engagement JU request feedback from 3rd parties on the NWA sourcing process throughout 2017 to inform potential refinements moving forward JU encourages and welcomes stakeholder suggestions to improve the efficiency and effectiveness of identifying additional opportunities to address systems needs with DER through NWAs. 	OPEN – Further discussion with stakeholders through 2017 is needed as NWA procurements proceed and lessons are learned. The DER Sourcing group will coordinate with the System Data working group and with stakeholders to explore co-development of business use cases that may demonstrate the use of existing or expanded system data (capital projects) to potentially identify additional NWA opportunities beyond the project types currently considered by the suitability criteria

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Stakeholder Feedback on NWA Sourcing Development

Stakeholder Input	Discussion Points	Next Steps
Stakeholders and the Joint Utilities discussed the potential of DER sourcing mechanisms beyond solicitation (e.g., pricing signals) to direct DERs to meet different goals	<ul style="list-style-type: none">JU expressed that this JU team is working in parallel to the Value of DER proceeding where utilities are currently looking at reviewing cost evaluation mechanisms for more locational pricing	OPEN – Further discussion is needed.



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Stakeholder Feedback on NWA Sourcing Development

Stakeholder Input	Discussion Points	Next Steps
JU should consider broadening the sourcing mechanisms for DERs and include other demand side measures (such as energy efficiency) as mechanisms	<ul style="list-style-type: none"> JU noted that procurement is just one of the “3 Ps” (Pricing, Procurement and Programs) articulated in the November 2016 SDSIP filing. We have been focusing on procurements – specifically NWAs – in the current SDSIP implementation effort JU remarked that they are currently addressing this issue and looking to increase the use of other mechanisms going over time JU commented that some utilities have already leveraged existing programs as part of existing NWAs, such as Con Edison’s BQDM project Ongoing proceedings are developing the structure to inform the other sourcing processes such as pricing (through Value of D) and evolving discussions about current and future demand response and energy efficiency programs 	OPEN – Further discussion is needed.



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Stakeholder Feedback on the NWA Solicitation Process

Stakeholder Input	Discussion Points	Next Steps
Stakeholders provided feedback on the types of operational and demographic data that best informs potential bidders	<ul style="list-style-type: none"> Stakeholders commented they had seen National Grid's recent RFP where the loading information looked different and inquired why there would be differences in the RFPs, but applauded National Grid's level of customer demographic data that was shared The group discussed refining the information provided in the RFPs as utilities gain experience <ul style="list-style-type: none"> Stakeholders mentioned projected continued growth as an additional piece of information that should be shared by utilities as part of an RFP 	OPEN – Further discussion is needed. JU noted during the session that continued discussion would be useful between utilities and 3 rd parties regarding the types of information provided with NWA RFPs and the potential to standardize some key data & information across the JU NWA solicitations



Stakeholder Feedback on the NWA Solicitation Process

Stakeholder Input	Discussion Points	Next Steps
Stakeholders and the JU discussed the time frame for developers to respond to Requests For Proposals (RFPs) as stakeholders in general requested longer response time in order to provide a quality proposal	<ul style="list-style-type: none"> JU and stakeholders agreed that the RFP response time depends on the type, size, complexity and location of the project JU encouraged stakeholders to raise response time questions with the utility during the pre-bid discussion or through direct inquiry. JU commented that it is reasonable to consider modification of bid response times where a reasonable case could be made to achieve a better response. 	OPEN – Further discussion is needed
Stakeholders encouraged use of broader channels such as industry associations and conferences to share announcements of upcoming NWA opportunities	<ul style="list-style-type: none"> Central Hudson was cited as an example for sharing the notification of the Coddensham RFP at a recent conference The JU are open to continuing to find new and broader avenues to notify potential bidders and interested parties of RFPs 	OPEN – JU will consider additional channels for notifying potential bidders of NWA solicitations. Ongoing discussion with stakeholders is appropriate



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Next Steps for Stakeholder Engagement

- The Joint Utilities held a second stakeholder engagement session on DER Sourcing and the Non-Wires Solutions process via webinar on November 9, 2017
 - Updated stakeholders of progress made on implementation efforts presented earlier in the year
 - Shared some of the challenges that surfaced during the current process and discuss how the JU are addressing these challenges to continue to improve the evolving Non-Wires RFP process
 - JU invited stakeholders to submit questions or comments prior to the webinar that could be used to complement live Q&A during specific portions of the webinar program
 - Provided a preview of implementation efforts moving into 2018
 - Summary Q&A document is available on the JU website:
jointutilitiesofny.org/joint-utilities-of-new-york-engagement-groups/
- Please email any additional questions or comments to the Joint Utilities of New York at info@jointutilitiesofny.org



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