

## **FOR CONSIDERATION**

**TO:** The Trustees  
**FROM:** Thomas Falcone  
**DATE:** July 25, 2018  
**REQUEST:** Consideration of Tariff Changes Related to Power-to-Save Pricing Pilot and Low-Income Customer Discounts

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### Requested Action

The Trustees are requested to approve changes to the Authority’s Tariff for Electric Service (“Tariff”) effective August 1, 2018 (1) to introduce a “Power to Save” pricing pilot in be offered in connection with PSEG Long Island’s Super Saver Utility 2.0 initiative; and (2) to further improve the affordability of its rates and charges for customers with low incomes by introducing customer discounts that are tiered according to customer needs.

### Background

**Power to Save.** Each year, PSEG Long Island develops and files a Utility 2.0 Plan, which identifies projects and plans consistent with the goals of the State’s Reforming the Energy Vision (“REV”) initiative, including improving energy and system efficiency, promoting the use of distributed energy resources, enabling markets for grid-edge products and services that provide value to customers, and identifying opportunities to defer traditional capital investments.

In the 2017 Utility 2.0 Plan, PSEG Long Island introduced the Super Savers Program, an innovative, geographically targeted non-wires solution that combines targeted energy efficiency, demand response, and market animation through customer engagement to deliver targeted load reduction, energy savings, and enhanced customer empowerment and education for several circuits which emanate from the North Bellmore Substation.<sup>1</sup>

These circuits and the equipment that supports them serve 9,914 residential customers and 482 commercial customers and are projected to exceed their normal capacity over the next few years. Without the Super Saver program, substantial investment would be required to meet the anticipated growth in demand.

The Super Saver program employs multiple tools and technologies to deliver load reduction. One of these tools is a state-of-the-art pricing pilot called the “Power to Save”. Power to Save is a time-of-use (TOU) rate that has been designed according to industry best practices, which include shorter “peak” pricing periods and device-enabled customer participation. The Power to Save pilot

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<sup>1</sup> The 2017 Utility 2.0 Plan introduced the Super Saver program for the North Bellmore area. In the 2018 Utility 2.0 Plan, PSEG Long Island proposes to extend the Super Saver program to the Patchogue area, among other enhancements. The Power to Save pricing pilot will also be offered in all Super Saver areas and to any customer with an AMI meter.

will allow PSEGLI to test customer outreach and engagement strategies, the ability and willingness of customers to save money by shifting energy usage, and the effect of the rate on peak load reduction and other grid benefits. In addition to the North Bellmore substation areas, staff also recommends making the Power to Save rate available to customers outside of the North Bellmore areas who have AMI installed.

**Low Income Customer Discounts.** In May 2016, the Public Service Commission issued an order on energy affordability (the “PSC Order”).<sup>2</sup> The PSC Order’s key policy guideline is that a New York household’s energy burden should constitute no more 6% of the household’s income. In response to the PSC Order, the regulated utilities increased their low-income customer discounts and were also ordered to implement “tiered” discounts. With a tiered discount structure, customers requiring greater assistance are placed in higher tiers and receive correspondingly higher discounts (all with the goal of providing discounts that lower the energy burden to 6% of household income).<sup>3</sup>

On September 27, 2017, the Authority’s Board of Trustees approved the first step in a plan to gradually implement low-income customer discounts consistent with the PSC Order, raising the Authority’s existing discounts to \$15 per month for eligible non-heating customers and \$20 for eligible electric heating customers. PSEGLI and the Authority also made operational improvements to the low-income customer program designed primarily to increase customer outreach and enrollment of eligible customers. The Authority indicated at the time that it intended to begin offering tiered discounts in 2018. This proposal is the next step of the plan, further increasing and tiering low-income customer discounts.

### Proposed Action

**Power to Save.** Staff proposes to modify the Tariff to update Service Classification No. 16 - Advanced Metering Initiative Pilot Service (rates M188 and M288) to offer a pilot time-of-use rate (the “Power to Save” rate) designed to reflect industry best practices and terminate the demand-metered non-residential AMI pilot (rates M282, M284 and M285).

This proposed Power to Save pricing pilot will offer residential and small commercial customers an opportunity to save on their electric bills by shifting their usage and reducing load during peak hours. The proposed rate design would maintain a 5-hour peak period from 2:00 P.M. to 7:00 P.M. on weekdays, which is consistent with industry best practices. Staff proposes to reduce the rate differential in the experimental rate to produce a 3-to-1 peak to off-peak price ratio during the summer, and a 1.5-to-1 peak to off-peak price ratio during the winter. In developing the proposed Power to Save rate, Staff reviewed industry best practices, Department of Energy studies, and surveys of time-of-use (TOU) rate designs from other utilities in the State and around the country. The research suggests that significant participation and on-peak load reduction can be achieved with these modifications.

The Power to Save pilot rate will be available to all interested residential and small commercial customers—including those located outside the North Bellmore Super Saver area—who have AMI

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<sup>2</sup> See Order Adopting Low Income Program Modifications and Directing Utility Filings, in Case 14-M-0565 (May 16, 2016).

<sup>3</sup> Tiered discounts provide additional benefits to low income households with vulnerable members (seniors, children, and the permanently disabled) and those with incomes at or below 130% of the federal poverty level.

metering equipment.

Staff further proposes the following additional changes simplify the Tariff:

- Eliminating the existing experimental time-of-use rates for large commercial customers. There has been no new participation in the experimental TOU program among these rate codes in the last five years and the current window for participation by large commercial customers expires in September 2018.
- Closing the existing residential time-of-use rate codes (181, 182, 184, 188 and 288) to new customers starting January 1<sup>st</sup>, 2019. Existing customers under these grandfathered rate codes may participate in the rate experiment upon installation of the required AMI metering equipment.

**Low Income Customer Discounts.** Staff is requesting to further enhance the Authority’s low-income customer discount program by introducing a tiered system of low-income discounts. Staff proposes a four-tiered system with escalating discount levels for customers in higher tiers representing greater need.

Eligibility for the Authority’s low-income customer discounts (and the appropriate tier) will be determined based on the customer’s participation in one or more qualifying Federal or State public assistance program, which include: Home Energy Assistance Program (HEAP); Medicaid; Supplemental Nutrition Assistance Program (SNAP); Supplemental Security Income (SSI); Temporary Assistance – Family Assistance (FA); Temporary Assistance-Safety Net Assistance (SNA); United States Veterans Administration – Veteran’s Pension or Veteran’s Surviving Spouse Pension.

Consistent with State policy, Tier 1 (the lowest level discount) will be available to any residential customer that participates in at least one qualifying public assistance program. Eligibility for Tiers 2 and 3 is based on additional age- and income-related qualifying criteria identified by HEAP, referred to as “HEAP add-ons”.<sup>4</sup> Tier 4 is reserved for residential customers enrolled in a Department of Social Services Direct Voucher/Guaranteed Payment program which represents a higher level of need than the other qualifying assistance programs.

The proposed tier discounts are shown in the table below. Eligible customers that do not heat their homes with electricity would see their discount increase from \$15 per month to \$20 per month, regardless of need (tier), unless they participate in the Department of Social Service’s Direct Voucher/Guaranteed Payment program. Eligible non-heating customers in that program would receive discounts of \$42 per month, up from \$15 per month currently. Eligible electric heating customers would benefit from the proposed tiered structure. Their Tier 1 discount would remain at \$20 per month, but would increase to \$40 per month for Tier 2 and \$60 per month for Tier 3. Tier 4 for heating customers is \$42 per month, more than twice the current level, and equal to the Tier 4 discount for eligible non-heating customers.

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<sup>4</sup> The HEAP program offers a standard payment to offset a participant’s annual heating costs. The HEAP program will increase this standard payment if the household’s gross income is below a set range and/or if the household contains a vulnerable individual (household member who is age 60 or older, under age 6 or permanently disabled). These extra payment(s) are referred to as an add-on(s) to the standard HEAP payment.

<b>Low Income Discount Tiers</b>		<b>Current Discount per Month</b>	<b>Proposed Discount per Month</b>
Tier 1	Qualifying Low Income Customers or Customers that have received a HEAP benefit.	Non-Heat \$15 Electric Heat \$20	Non-Heat \$20 Electric Heat \$20
Tier 2	Customers that have received a HEAP benefit plus 1 add-on	Non-Heat \$15 Electric Heat \$20	Non-Heat \$20 Electric Heat \$40
Tier 3	Customers that have received a HEAP benefit plus 2 add-ons	Non-Heat \$15 Electric Heat \$20	Non-Heat \$20 Electric Heat \$60
Tier 4	Department of Social Services Direct Voucher/Guaranteed Payment recipients of utility bill payment assistance.	Non-Heat \$15 Electric Heat \$20	Non-Heat \$42 Electric Heat \$42

Staff is proposing a staged implementation. The above proposed discounts will limit the energy burden of the average participating household to 6.5% of household income. Staff proposes to implement further discount increases to bring customer's energy burden to 6% by 2020. The discount amounts will be updated in 2019 using the latest available information and a final proposed level of discounts will be presented to the Board as part of the 2019 budget proposal.

#### Financial and Customer Impacts

**Power to Save.** No revenue impacts are expected to result from the Power to Save proposal. The financial impact on any customer who signs up for the optional pilot will depend on the customer's ability and willingness to reduce usage during the peak period.

Here are the estimated annual savings for a customer with a typical load profile:

<b>Energy shift from peak to off-peak</b>	<b>Annual savings</b>
No shift	\$0.00
10% shift	\$28.17
20% shift	\$56.33
30% shift	\$84.50

PSEG Long Island will assist individual customers in estimating the potential bill impact of participating in the Power to Save rate pilot.

**Low Income Customer Discounts.** The financial impact of increasing the low-income customer discounts depends on levels of customer participation in the program. Based on 2018 expected levels of participation (approximately 20,000 non-heat customers and approximately 3,000 heating customers), the incremental impact of the proposal is estimated to be approximately \$2.9 million per year, raising the annual discount from \$4.6 million to \$7.5 million per year. Higher levels of participation would result in corresponding higher levels of discount. In 2019, it is projected that participation may increase to 25,000 non-heating customers (up from 20,000 this year). The incremental revenue impact of an additional 5,000 non-heating participants is \$300,000 per year.

The original level of low-income customer discounts has already been factored into the current residential rates, and the proposed increase for the remainder of 2018 (\$1.2 million for the

remaining 5 months of August through December) will be recovered from all customers through the Revenue Decoupling Mechanism, in conformance with State-wide policy as implemented by the Public Service Commission. We anticipate the residential rates to be adjusted beginning in January 2019 so that the projected discounts will be recovered from Residential customers only (also consistent with Public Service Commission policy) and only variances from those 2019 projected discounts will be recovered from all customers through the Revenue Decoupling Mechanism.

#### Public, Stakeholder, and Department of Public Service Input

Public hearings were held on both Tariff proposals on June 4, 2018 in Nassau and Suffolk Counties. No members of the public attended the public hearings and no written comments were received.

The DPS provided feedback and input throughout the process of developing the Tariffs, which has been fully incorporated into the proposal

#### Recommendation:

For the foregoing reasons, I recommend that the Trustees approve the modifications to the Tariff for Electric Service described herein and set forth in the accompanying resolutions.

#### Attachments

- Exhibit A-1 Power-to-Save resolution
- Exhibit A-2 Power-to-Save final Tariff reflecting comments (redline)
- Exhibit A-3 Power-to-Save original Tariff proposal
  
- Exhibit B-1 LMI resolution
- Exhibit B-2 LMI final Tariff reflecting comments (redline)
- Exhibit B-3 LMI original Tariff proposal
  
- Exhibit C DPS Letter of Recommendation

**APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF FOR ELECTRIC SERVICE RELATED TO THE "POWER TO SAVE" PRICING PILOT**

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WHEREAS, the Board of Trustees of the Long Island Power Authority (the "Authority") has adopted a Board Policy on Resource Planning, Energy Efficiency and Renewable Energy, which sets forth the Board's commitment to procuring cost-effective clean and renewable resources, including behind-the-meter energy efficiency and demand response; and

WHEREAS, as envisioned in the LIPA Reform Act and the Operations Services Agreement, PSEG Long Island has developed and submitted annual Utility 2.0 Plans for review by the Authority and the New York Department of Public Service; and

WHEREAS, the 2017 Utility 2.0 Plan introduced a Super Saver load reduction demonstration project, including a state-of-the-art "Power to Save" pricing pilot; and

WHEREAS, in December 2017, the Department of Public Service recommended and the Board approved funding for the Super Saver demonstration project; and

WHEREAS, the Department of Public Service is supportive of this Power to Save pricing pilot proposal; and

WHEREAS, following the issuance of public notice in the State Register on April 11, 2018, two public hearings were held in Nassau and Suffolk counties on June 4, 2018, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to the Authority's Tariff are hereby adopted and approved to be effective August 1, 2018; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

**Table of Contents (continued):****ADDENDA**

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**IV. Billing Process and Payment of Bills (continued):****B. Computing a Customer's Bill****1. Service and Rate Classifications**

Customers are assigned to Service and Rate Classifications based on criteria which include, but are not necessarily limited to, usage levels, demand levels, time of year for usage/demand (Rate Periods), voltage characteristics, and purpose of use. Each Service and Rate Classification contains its own rates and rate structure to recover revenue levels approved by the Authority.

**2. Adjustments to Rates**

The Authority may adjust rates or bills periodically for:

- a) Changes in the Power Supply Charge, payments in lieu of revenue taxes, Visual Benefits Assessment, New York State Assessment or to recover other costs as approved by the Authority, including changes to the Delivery Service Adjustment and Distributed Energy Resources Cost Recovery Rate, and
- b) Any charges and credits approved by the Authority, including the Shoreham Property Tax Settlement Rider, Revenue Decoupling Mechanism and
- c) Discounts to promote economic development, and
- d) Charges to the Authority Green Choice Customers for environmental attributes, and
- ~~e) Any credits resulting from the Maximum Charge provision of Service Classification No. 16-Advanced Metering Initiative (AMI) Pilot Service, and~~
- ~~f)e~~ NYSERDA Loan Installment Charges, and
- ~~g)f~~ Securitization Charges.

**3. Applying Rate Changes to Customer's Bills**

If a rate change becomes effective during a billing period (and unless the Authority determines otherwise), the Authority will average the old and new rates, weighted by the number of days in the billing period before and after the effective date of the rate change.

**4. Backbilling****a) Backbilling Conditions**

- (1) For Residential Customers, the Authority shall send a backbill within four (4) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill.
- (2) For Nonresidential Customers, the Authority shall send a backbill within six (6) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill, unless that time is extended by a court.
- (3) The Authority shall not issue a backbill if the reason for the underbilling is clear from the Customer's Application or would have been clear, but the Authority failed to get and keep an Application.



**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****F. Distributed Energy Resources Cost Recovery Rate (continued):****3. Calculation of the Distributed Energy Resources Cost Recovery Rate**

The Distributed Energy Resources Cost Recovery Rate will be calculated separately for Small Customers and Large Customers. For Small Customers and Large Customers separately, the Distributed Energy Resources Cost Recovery Rate will be calculated as the sum of the eligible costs divided by the forecasted energy sales.

- a) The Authority will prepare and retain on file a "Statement of Distributed Energy Resources Cost Recovery Rate". The Statement will be available at the Authority's Business Offices.
- b) The Statement will show the authorized amounts to be recovered and the expected energy sales over which the authorized amounts will be recovered.
- c) The Distributed Energy Resources Cost Recovery Rate will be set annually, effective January 1<sup>st</sup> of each year.
- d) The Distributed Energy Resources Cost Recovery Rate may be reset during the year, based on updated values that have been approved by the Authority Board of Trustees.
- e) The Distributed Energy Resources Cost Recovery Rate will be rounded to the nearest 0.0001 cents per kWh.

**4. Definition of Small and Large Customers**

For purposes of the Distributed Energy Resources Cost Recovery Rate, the following definitions of Small Customers and Large Customers will apply.

- a) The Small Customer Distributed Energy Resources Cost Recovery Rate applies to:
  - (1) Service Classification No. 1 (Rate Codes: 180, 380, 480, 481, 580, 880)
  - (2) Service Classification No. 1-VMRP (Rate Codes: 181, 182, 184, 188)
  - (3) Service Classification No. 2 (Rate Code 280)
  - (4) Service Classification No. 2-VMRP (Rate Code 288)
  - (5) Service Classification Nos. 5, 7, 7A and 10 (Rate Codes 980, 780, 781, 782, 1580, 1581)
  - (6) Service Classification No. 16-AMI (Rate Code M188 and M288)
- b) The Large Customer Distributed Energy Resources Cost Recovery Rate applies to:
  - (1) Service Classification Nos. 2-L, and 2-VMRP (Rate Codes 281, 283, 291, 282, M282)
  - (2) Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)
  - (3) Service Classification Nos. 12 and 13 (Rate Codes 680, 681, 278)
  - ~~(4) Service Classification No. 16-AMI (Rate Codes M282, M284, M285)~~
- c) Retail Customers participating in the Long Island Choice or Green Choice program are subject to the Distributed Energy Resources Cost Recovery Rate according to their base rate Service Classification.
- d) Energy Service Companies (ESCOs) receiving service under Service Classification No. 14 are not subject to the Distributed Energy Resources Cost Recovery Rate.
- e) Energy delivered under the Recharge NY Power Program is not subject to the Distributed Energy Resources Cost Recovery Rate. (Rate Code 680). Energy delivered under Rate Code 680 but not under the Recharge NY Power Program is subject to the Distributed Energy Resources Cost Recovery Rate.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:****I. Revenue Decoupling Mechanism**1. Purpose

The purpose of the Revenue Decoupling Mechanism is to recover approved Delivery Service Revenues from customers. Actual Delivery Service Revenues are reconciled to the approved Delivery Service Revenues through the Revenue Decoupling Mechanism for certain Service Classifications groups, as described below,

2. Definitions

For the purposes of the Revenue Decoupling Mechanism, the following Service Classification groups will apply.

a) Residential

- (1) Service Classification No. 1 (Rate Codes: 180, 380, 480, 481, 580, 880)
- (2) Service Classification No. 1-VMRP (Rate Codes: 181,182,184,188)
- (3) Service Classification No. 16-AMI (Rate Code M188)

b) Small Commercial

- (1) Service Classification No. 2 (Rate Code 280)
- (2) Service Classification No. 2-VMRP (Rate Code 288)
- (3) Service Classification No. 16-AMI (Rate Code M288)

c) Large Commercial excluding mandatory demand metered service with multiple rate periods:

- (1) Service Classification No. 2-L (Rate Codes 281, 283, 291)
- (2) Service Classification No. 2L-VMRP (Rate Codes 282, M282)

~~(3) Service Classification No. 16 (Rate Code M282)~~

d) Mandatory Large Demand Metered Service with Multiple Rate Periods

- (1) Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)

~~(2) Service Classification No. 16-AMI (Rate Code M284, M285)~~

**VIII. SERVICE CLASSIFICATIONS (continued):****B. SERVICE CLASSIFICATION NO. 1-VMRP (L)  
Voluntary Large Residential Service with Multiple Rate Periods:  
(Rate Codes: 181, 182, 184)**1. Who Is Eligible

- a) An existing Customer receiving service under Service Classification Nos. 1 or 1-VMRP who chooses to receive service under this classification and:
  - (1) Uses more than 39,000 kWh annually for the twelve (12) months ending September 30, or
  - (2) Uses more than 12,600 kWh for the 4-month period between June 1 and September 30.
- b) An Applicant eligible to receive service under Service Classification No. 1 whose consumption the Authority estimates will be more than either 39,000 KWH annually or 12,600 KWH between June 1 and September 30.
- c) A Customer, as described in a. through b. above, that has the option under Service Classification Nos. 12 – Backup and Maintenance Service, of choosing to pay the rates and charges associated with a different Service Classification.
- e)d)-Effective January 1, 2019, this service classification is no longer available to new or transferring customers. Customers may request Service Classification No. 16.

2. Character of Service

- a) Continuous, 60 hertz, alternating current.
- b) Approximately 120/208, 120/240, or 277/408 volts, single or three phase, depending on the characteristics of the load and the circuit supplying the service.

**VIII. SERVICE CLASSIFICATIONS (continued):****B. SERVICE CLASSIFICATION NO. 1-VMRP (L)****Voluntary Large Residential Service with Multiple Rate Periods (continued):****(Rate Codes: 181, 182, 184)****Special Provisions (continued):**a) Service for Religious Purposes, Community Residences, or Veterans' Organizations

Customers under this Service Classification who use electricity for religious purposes, for Community Residences, or Veterans' Organizations as specified in Section 76 of the Public Service Law, may apply for a suitable non-residential service after a minimum term of one (1) year.

(1) The transferring Customer shall submit a new Application to the Authority before the transfer, and

(2) The transfer will take place at the Customer's next meter reading.

b) Choosing a Rate

(1) New space-heating Customers shall choose either Rate Code 182 or 184 when they qualify for service.

(2) New non-space-heating Customers shall choose either Rate Code 181 or 184 when they qualify for service.

~~(2)~~(3) Effective January 1, 2019, this service classification is no longer available to new or transferring customers. Customers may request Service Classification No. 16.

c) Transferring Between Rates Under This Service Classification(1) Space-heating Customers

(a) Customers served under Rate Code 184 may request to transfer to Rate Code 182 before, but not after January 1, 2019.

(b) The Customer shall request the transfer, in writing, at least thirty (30) days before the Customer's Anniversary Date, and

(c) The transfer will take place on the Anniversary Date.

(2) Non-space-heating Customers

(a) Customers served under Rate Code 184 may request to transfer to Rate Code 181 before, but not after January 1, 2019.

(b) The Customer shall request the transfer, in writing, at least thirty (30) days before the Customer's Anniversary Date, and

(c) The transfer will take place on the Anniversary Date.

(3) Customers with AMI meters may transfer out of this service classification to Rate Code M188 at anytime.

**VIII. SERVICE CLASSIFICATIONS (continued):****C. SERVICE CLASSIFICATION NO. 1-VMRP(S)****Voluntary Small Residential Service With Multiple Rate Periods:****(Rate Code: 188)**1. Who Is Eligible

a) Qualifying Applicants who will use the service for residential purposes or as specified in Section 76 of the Public Service Law, for religious purposes, a Community Residence, or a post or hall owned or leased by a not-for-profit corporation that is a Veterans' Organization as an alternative to Service Classification No. 1, but who do not qualify for Service Classification No. 1-VMRP(L).

b) A Customer, as described in a. above, that has the option under Service Classification Nos. 12 – Backup and Maintenance Service, of choosing to pay the rates and charges associated with a different Service Classification.

b)c) Effective January 1, 2019, this service classification is no longer available to new or transferring customers. Customers may request Service Classification No. 16.

2. Character of Service

a) Continuous, 60 hertz, alternating current.

b) Approximately 120/208, 120/240 volts, single or three phase, depending on the characteristics of the load and the circuit supplying the service.

**VIII. SERVICE CLASSIFICATIONS (continued):****E. SERVICE CLASSIFICATION NO. 2-VMRP****Voluntary Small General Service With Multiple Rate Periods:**  
**(Rate Code: 288)**1. Who Is Eligible

a) Customers who will use the service on a voluntary basis as an alternative to Service Classification 2, for any purposes other than Residential, when the Authority estimates that the Applicant's demand will be less than 7 KW, subject to Special Provision 7.b. below.

b) ~~b)~~ —A Customer, as described in a. above, that has the option under Service Classification Nos. 12 – Backup and Maintenance Service, of choosing to pay the rates and charges associated with a different Service Classification.

~~b)c)~~ Effective January 1, 2019, this service classification is no longer available to new or transferring customers. Customers may request Service Classification No. 16.

2. Character of Service

a) Continuous, 60 hertz, alternating current.

b) Radial secondary service at approximately 120/208, 120/240 or 277/480 volts, single or three phase; network system 120/208 or 277/480 single or three phase; depending on the size and characteristics of the load and the circuit supplying the service.

**VIII. SERVICE CLASSIFICATIONS (continued):****S. SERVICE CLASSIFICATION NO. 16- AMI****Advanced Metering Initiative Pilot Service:****(Rate Codes: M188, M288, ~~M282, M284, M285~~)**1. Objective

This AMI pilot service is intended to test both a new Advance Metering Infrastructure (AMI) system and time-differentiated rates for residential and non-residential customers in certain geographical areas. Also, the pilot service will allow the Authority to investigate customers' interest in and response to experimental time-differentiated rate structures. The pilot service will be structured as a series of individual experiments, with each experiment evaluating the performance of AMI technology and alternative rate structures in a specific geographic location for a specific mix of residential and/or nonresidential customers. Authorization for this Pilot Service will terminate on ~~September 30, 2018~~ **January 1, 2023** and all individual experiments must be terminated by the Authority Staff on or before that date.

2. Program Requirements

- a) The Authority Staff may, at its sole discretion, create or extend any experiment under this Service Classification that meets the program objective, subject to the following limitations:

~~(1) Enrollment in any one geographic location shall be limited to 2,000 participants.~~

~~(2) Total enrollment in all experiments shall not exceed 10,000 participants at any one time.~~

~~(3) Compensation and incentives for participation shall not exceed the value of the electric service provided to the participant, measured using the rates and charges from participant's former Service Classification. Equipment or services provided to the participant by the Authority, and subsequently removed or discontinued at the termination of participation in the experimental program, shall not be included in the measurement of the compensation or incentive value.~~

~~(4)~~(1) Participation in experimental pricing programs ~~must be~~ **is** voluntary on the part of the customer.

- b) The Authority Staff may, at its sole discretion, terminate any experiment under this Service Classification at any time.

- ~~e) The program's specific operational requirements will be identified on "the Authority Statement of Advanced Metering Initiative Pilot". That Statement will define, for each separate experiment:~~

~~(1) The geographic location of the experiment.~~

~~(2) The duration of the experiment.~~

~~(3) The eligible rate codes for the experiment.~~

~~(4) The maximum number of participants from each rate code.~~

~~Any usage or other customer characteristics which are necessary for participation in the experiment.~~

~~The specific compensation for participation, if any.~~

~~Any other terms or conditions which are necessary to ensure the usefulness and applicability of the experiment and/or its results.~~

**VIII. SERVICE CLASSIFICATIONS (continued):****S. SERVICE CLASSIFICATION NO. 16- AMI****Advanced Metering Initiative Pilot Service (continued):****(Rate Codes: M188, M288, ~~M282, M284, M285~~)****Program Requirements (continued)**3. Program Eligibility/Non-Eligibility

- a) ~~Residential and Small General Service (rate codes 280 and 288) Residential and non-residential~~ Customers who volunteer for the pilot program ~~must be located in the geographic areas where the pilot program is being tested~~ and have AMI installed.
- b) The terms and conditions for Advanced Metering Initiative pilot are contained in Service Classification No. 1-VMRP(S) and 2-VMRP, except as modified below.
- b)c) Qualified participants will be eligible for the pilot, ~~chosen on a first come, first served basis,~~ except that:
  - (1) The Authority Staff has the option to deny participation in the pilot program to any Customer it deems as not contributing to the objectives or requirements of the pilot program. ~~;~~ ~~and~~.
- e)d) Customers who are not eligible to participate in the program include:
  - (1) Customers who receive service under provisions related to Residential Off-Peak Energy Storage served under Service Classification No. 1.
  - (2) Customers who receive some or all of their electric requirements from the New York Power Authority (NYPA).
  - (3) Customers who sell power to the Authority as Qualifying Facilities ~~or are treated as Solar and Wind Electric Generators.~~
  - (4) Customers who receive unmetered service.
  - (5) Customers who receive service under Service Classification Nos. 11, 12 and 13.



**VIII.SERVICE CLASSIFICATIONS (continued):**

**S. SERVICE CLASSIFICATION NO. 16- AMI**

**Advanced Metering Initiative Pilot Service (continued):**  
**(Rate Codes: M188, M288, ~~M282, M284, M285~~)**

4. Residential and Small General Service Time-Differentiated Pricing

Residential and Small General Service (rate codes 280 and 288) Customers participating in the Pilot Service will be charged the rates as stated below.

a) Schedule of Rates (Rate Code M188 and M288)

	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.3600	\$.3600
<del>Meter Charge per day</del>	<del>\$.1000</del>	<del>\$.1000</del>
	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh		
	<u>Period 1</u>	<u>Period 2</u>
7 p.m. to 2 p.m. weekdays and all day Saturday and Sunday	<del>\$.04550469</del>	<del>\$.02960469</del>
	<u>Period 3</u>	<u>Period 4</u>
2 p.m. to 7 p.m. Weekdays	<del>\$.42493342</del>	<del>\$.08041188</del>

All the terms and conditions will apply as described in the Customer's previous rate and Service Classification.

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge and the Delivery Service Adjustment.

c) Minimum Charge

The Minimum Charge is the Service ~~and Meter~~ charge, plus Adjustments to Rates and Charges.

d) ~~Maximum Charge~~

~~For the first 12 months of participation under these rates, the Maximum Charge is no more than what the Customer would have paid under their previous rate and Service Classification for the amount of service actually received over that annual period. Following 12 consecutive months of participation, the Maximum Charge may increase to the amount actually billed to the participant.~~

**VIII. SERVICE CLASSIFICATIONS (continued):****T. SERVICE CLASSIFICATION NO. 16- AMI****Advanced Metering Initiative Pilot Service (continued):****(Rate Codes: M188, M288, ~~M282, M284, M285~~)**~~5. Non-Residential Time-Differentiated Pricing~~~~Non-Residential customers may choose to sign up for the Commercial Modified Time-Differentiated Pricing Program.~~~~a) Non-Residential customers participating in the Commercial Modified Time-Differentiated Pricing program will be eligible to take service under Service Classification Nos. 2L-VMRP or 2-MRP utilizing the modified rating periods as described on Leaf Nos. 212, 213, 226 and 227, depending on the size of the participant's load. All the terms and conditions will apply as described in the above-stated Service Classifications.~~~~b) Adjustments to Rates and Charges~~~~Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, Delivery Service Adjustment and the Securitization Offset Charge.~~~~c) Maximum Charge~~~~On an annual basis, the Maximum Charge is no more than what the Customer would have paid under their previous rate and Service Classification for the amount of service actually received over that annual period. Following 12 consecutive months of participation, the Maximum Charge may increase to the amount actually billed to the participant, so long as that condition is included in the signed agreement with the Customer.~~~~6.5. Special Provisions~~~~a) Exit Provisions~~~~(1) A participant may return to its previous rate at any time with forfeiture of payments, incentives or other specified benefits as may be stipulated in the agreement between the Authority and participants. **In this situation, either:**~~~~(a) The participant's billing will be adjusted to the beginning of their most recent anniversary date, or~~~~If the participant's billing is for an entire twelve (12) month period (based on their anniversary date); the billing will not be adjusted.~~~~(2) The Authority may return a participant to their previous rate, **and make the adjustments to the customer's billing as stated above,** if they do not maintain their account in good standing.~~~~(2)(3) **If a participant on M188 or M288 transfers to a non-time-of-use** A participant that returns to its previous rate is not eligible to return the M188 or M288 for a period of 12 months from its date of exit.~~

## XI. Dynamic Load Management

### A. Direct Load Control Program

#### 1. Purpose and Applicability:

The Direct Load Control (“DLC”) Program allows the Authority to remotely control the Participating Customer’s Control Device to reduce the Customer’s load during an Event. The program utilizes third-party Control Devices Providers to identify Participants and install and manage the Control Devices that meet the Authority’s specifications for communications.

Participation is applicable to Customers served at Primary and Secondary voltage in the Service Classifications listed below in all locations within the Service Area, except for those described in the Statement of Direct Load Control Program Payments.

Service Classification No. 1 (Rate Codes 180, 380, 580, 880; excluding 480 and 481)

Service Classification No. 1-VMRP (L) (Rate Codes 181, 182, 184)

Service Classification No. 1-VMRP(S) (Rate Code 188)

Service Classification No. 2 (Rate Code 280)

Service Classification No. 2-VMRP (Rate Code 288)

Service Classification No. 2-L (Rate Codes 281, 291, 283)

Service Classification No. 2L-VMRP (Rate Codes 282, M282)

Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)

Service Classification No. 16-AMI (Rate Codes M188, M288, ~~M282, M284, M285~~)

#### 2. Eligibility:

To participate under this program, a Customer must have load controllable equipment and agree to the installation of a Control Device.

This program is not available to Customers who participate either directly or indirectly through a third party, under any other Authority or NYISO demand-response program.

The Manager may, in the future, offer an alternate direct load control program through a third-party vendor to customers in a defined geographic area. In coordination with non-wires alternatives such as these, eligibility for the DLC program for Customers within such designated area(s) may be temporarily restricted such that only Customers who have applied to and been rejected from the alternate third-party vendor program will be eligible for enrollment within the Authority’s DLC program. Such restriction on application to the DLC program shall cease upon the earlier of (a) the date on which the alternate program achieves the amount of peak load reduction in the designated area specified by the Manager, and (b) the exclusivity deadline specified by the Manager. A list of geographic areas in which this provision applies will be set forth in the Statement of Direct Load Control Program Payments which will be amended from time to time to reflect new and completed alternate programs.

#### 3. Definitions:

**Control Device:** A device installed on the Customer’s load controllable equipment via a smart plug or embedded control that allows the Authority to remotely control the equipment when an Event is called. For purposes of this program, Control Device means one or more devices as may be required to control the equipment. Each Control Device contains a feature that allows the Customer to override the Authority’s control of the Customer’s equipment. The Control Device must be provided, installed, and connected to the Internet by the Customer or an approved Control Device Provider in a manner that ensures communications between the Authority and the Control Device.

### XIII. Dynamic Load Management

#### A. Commercial System Relief Program

##### 1. Purpose and Availability

The Commercial System Relief Program is being offered by the Authority to enable participating eligible customers to be compensated for reducing their load under certain conditions when called upon by the Authority to do so.

The program is available to any Customer served at transmission, primary or secondary voltage and taking service under one of the Service Classifications shown below; and to any Aggregator that meets the requirements of this Rider.

Service Classification No. 1 (Rate Codes 180, 380, 580, 880; excluding 480, 481)

Service Classification No. 1-VMRP(L) (Rate Codes 181, 182, 184)

Service Classification No. 1-VMRP(S) (Rate Codes 188)

Service Classification No. 2 (Rate Code 280)

Service Classification No. 2-VMRP (Rate Code 288)

Service Classification No. 2-L (Rate Codes 281, 291, 283)

Service Classification No. 2L-VMRP (Rate Codes 282, M282)

Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)

Service Classification Nos. 11, 12, and 13 (Rate Codes 289, 680, 681, 278)

Service Classification No. 16-AMI (Rate Code M188, ~~M282, M284, M285~~, M288)

Customers who take service pursuant to a Net Metering option or the Direct Load Control Program are not eligible to participate in this program.

The Metropolitan Transportation Authority for Traction Power Service to the Long Island Rail Road and Brookhaven National Laboratories pursuant to a Sale for Resale agreement between the Authority and the New York Power Authority (both as referenced on Leaf 271) are not eligible to participate.

##### 2. Definitions:

Aggregator: A party other than the Authority that represents and aggregates the load of Customers who collectively have a Load Relief potential of 50 kW or greater in an Authority Designated Area and is responsible for the actions of the Customers it represents, including performance and, as applicable, repayments to the Authority. A Direct Participant may combine multiple customer locations to meet the Load Relief potential requirements of an aggregator.

Authority Designated Area: An electrically defined area determined by the Authority to be approaching system capacity limits during peak periods. A current list of the Authority Designated Areas will be listed on the Manager's website and payments by area are listed on the Statement of Commercial System Relief Program Payments.

Capability Period: The period during which the Authority can request Load Relief. The Capability Period will be from May 1 through September 30.

### XIII. Dynamic Load Management

#### B. Distribution Load Relief Program

##### 1. Purpose and Availability

The Distribution Load Relief Program is being offered by the Authority to enable participating eligible customers to be compensated for reducing their load under certain conditions when called upon by the Authority to do so.

The program is available to any Customer served at primary or secondary voltage and taking service under one of the Service Classifications shown below; and to any Aggregator that meets the requirements of this Rider.

Service Classification No. 1 (Rate Codes 180, 380, 580, 880; excluding 480, 481)

Service Classification No. 1-VMRP(L) (Rate Codes 181, 182, 184)

Service Classification No. 1-VMRP(S) (Rate Codes 188)

Service Classification No. 2 (Rate Code 280)

Service Classification No. 2-VMRP (Rate Code 288)

Service Classification No. 2-L (Rate Codes 281, 291, 283)

Service Classification No. 2L-VMRP (Rate Codes 282, M282)

Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)

Service Classification Nos. 11, 12, and 13 (Rate Codes 289, 680, 681, 278)

Service Classification No. 16-AMI (Rate Code M188, ~~M282, M284, M285, M288~~)

Customers who take service pursuant to a Net Metering option or the Direct Load Control Program are not eligible to participate in this program.

The Metropolitan Transportation Authority for Traction Power Service to the Long Island Rail Road and Brookhaven National Laboratories pursuant to a Sale for Resale agreement between the Authority and the New York Power Authority (both as referenced on Leaf 271) are not eligible to participate.

##### 2. Definitions:

Aggregator: A party other than the Authority that represents and aggregates the load of Customers who collectively have a Load Relief potential of 50 kW or greater in an Authority Designated Area and is responsible for the actions of the Customers it represents, including performance and, as applicable, repayments to the Authority. A Direct Participant may combine multiple customer locations to meet the Load Relief potential requirements of an Aggregator.

Authority Designated Area: An electrically defined area determined by the Authority to be approaching system capacity limits during peak periods. A current list of the Authority Designated Areas will be listed on the Manager's website and reservation payments by area are listed on the Statement of Distribution Load Relief Program Payments.

Capability Period: The period during which the Authority can request Load Relief. The Capability Period will be from May 1 through September 30.

## **Proposal Concerning Modifications to LIPA's Tariff for Electric Service**

### **Requested Action:**

The Long Island Power Authority ("LIPA" or the "Authority") staff proposes to modify the Tariff for Electric Service ("Tariff") to introduce a "Power to Save" rate pilot as part of the Utility 2.0 Long Range Plan 2017 Annual Update and terminate the existing AMI rate pilots for demand-metered commercial customers.

### **Background:**

PSEG Long Island filed its first Utility 2.0 Plan in July 2014, which set forth plans for integrating Distributed Energy Resources ("DER") in the Long Island Power Authority ("LIPA") electric grid and identified load management projects and tools to defer infrastructure projects.

Since the original filing, PSEG Long Island has continued working with LIPA and the New York State Department of Public Service ("DPS") concerning plans for integrating DER and implementing New York's Reforming the Energy Vision ("REV") initiative on Long Island. Incorporating these collaborative discussions and recommendations, PSEG Long Island has filed updated Utility 2.0 Plans annually. PSEG Long Island has made efforts to identify projects that are consistent with and complementary to the goals of REV, including increasing energy efficiency, promoting the use of DER, improving overall system efficiency, and identifying opportunities to defer traditional capital investments.

In the latest 2017 Utility 2.0 Plan, the focus is on long-term strategic vision and efforts in support of the policy goals of REV through integrating distributed resources into long-term system and capital planning, empowering customers with energy choices, enhancing system efficiency, and supporting a sustainable market for clean energy developments.

The 2017 Utility 2.0 Plan includes the introduction of a demand reduction demonstration program ("Super Saver") for several circuits which emanate from the North Bellmore Substation which serve 9,914 residential customers and 482 commercial customers. These circuits and the equipment that supports them in the North Bellmore substation are projected to exceed their normal capacity over the next few years, which would impose a substantial investment on the part of the Authority to meet the anticipated growth in demand.

The Super Saver program will include targeted customer outreach and communication approaches and will employ customer behavior analytics to deploy multiple tools and technologies that will deliver the load reduction. This will include replacing customers' electric meters with AMI (Advance Metering Infrastructure) also known as smart meters.

As described in the 2017 Utility 2.0 Plan, the Super Saver program includes a voluntary rate pilot. The rate pilot as part of the Super Saver program will be known as the "Power to Save" rate and will be a time-of-use (TOU) rate where the objectives of the rate pilot will be to test customer participation, customer savings, and the effect of the rate on peak load reduction and other grid benefits. In addition to the North Bellmore substation areas, staff also recommends making the Power to Save rate available to customers outside of the North Bellmore areas who have AMI installed.

## **Proposal**

Staff proposes to modify the Tariff to update Service Classification 16 - Advanced Metering Initiative Pilot Service (rates M188 and M288) to offer a pilot TOU rate (the “Power to Save” rate) designed to reflect industry best practices and terminate the demand-metered non-residential AMI pilot (rates M282, M284 and M285).

This proposed Power to Save rate pilot will offer residential and small commercial customers an opportunity to save on their electric bills by shifting their usage and reducing load during peak hours. The proposed rate design would maintain the 5-hour peak period from 2:00 P.M. to 7:00 P.M. on weekdays, which is consistent with industry best practices. Staff proposes to reduce the rate differential in the experimental rate to produce a 3-to-1 peak to off-peak price ratio during the summer, and a 1.5-to-1 peak to off-peak price ratio during the winter. In developing the proposed Power to Save rate, Staff reviewed industry best practices and surveys of time-of-use (TOU) rate designs from other utilities in the State and around the country which indicates that significant participation and on-peak load reduction can be achieved with these modifications.

The Power to Save pilot rate will be available to all interested residential and small commercial customers—including those located outside the North Bellmore Super Saver area—who have AMI metering equipment.

Staff further proposes the following additional changes simplify the Tariff:

- Eliminating the existing experimental time-of-use rates for large commercial customers. There has been no new participation in the experimental TOU program among these rate codes in the last five years and the current window for participation by large commercial customers expires in September 2018.
- Closing the existing residential time-of-use rate codes (181, 182, 184, 188 and 288) to new customers starting January 1<sup>st</sup> 2019. Existing customers under these grandfathered rate codes may participate in the rate experiment upon installation of the required AMI metering equipment.

## **Financial Impacts:**

No revenue impacts are expected to result from the proposed TOU rate pilot. The financial impact on any particular customer will depend on the customer’s ability and willingness to reduce usage during the peak period. PSEG Long Island estimates that a customer who shifts 10% of peak energy usage to off-peak times would experience delivery bill savings of 3%, a customer who shifts 20% of peak usage would save 7%, and a customer who shifts 30% of peak usage would save 10%. PSEG Long Island will assist individual customers in estimating the potential bill impact of participating in the Power to Save rate pilot. Customers that do not modify their usage will see de minimus changes to their annual bill, estimated at less than 2% for the average residential user.

## **Proposed Tariff Changes:**

To update the Authority’s Time-of-Use (“TOU”) rate pilot.

## **Affected Tariff Leaves:**

Leaves: 6B, 100, 182C, 182K, 189, 193, 194, 200, 279G, 279H, 279I, 279J, 327, 330, and 341.

## **Reason for Tariff Change:**



To modify the Tariff to introduce a Power to Save TOU rate pilot as part of the Utility 2.0 Long Range Plan 2017 Annual Update.

**Summary of Proposed Changes:**

In summary, the proposed change to LIPA's Tariff for Electric Service is to modify Service Classification No. 16 and to introduce a Power to Save rate pilot to be offered as part of Utility 2.0 Super Saver program.

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**IV. Billing Process and Payment of Bills (continued):****B. Computing a Customer's Bill****1. Service and Rate Classifications**

Customers are assigned to Service and Rate Classifications based on criteria which include, but are not necessarily limited to, usage levels, demand levels, time of year for usage/demand (Rate Periods), voltage characteristics, and purpose of use. Each Service and Rate Classification contains its own rates and rate structure to recover revenue levels approved by the Authority.

**2. Adjustments to Rates**

The Authority may adjust rates or bills periodically for:

- a) Changes in the Power Supply Charge, payments in lieu of revenue taxes, Visual Benefits Assessment, New York State Assessment or to recover other costs as approved by the Authority, including changes to the Delivery Service Adjustment and Distributed Energy Resources Cost Recovery Rate, and
- b) Any charges and credits approved by the Authority, including the Shoreham Property Tax Settlement Rider, Revenue Decoupling Mechanism and
- c) Discounts to promote economic development, and
- d) Charges to the Authority Green Choice Customers for environmental attributes, and
- ~~e) Any credits resulting from the Maximum Charge provision of Service Classification No. 16-Advanced Metering Initiative (AMI) Pilot Service, and~~
- ~~f)e~~ NYSERDA Loan Installment Charges, and
- ~~g)f~~ Securitization Charges.

**3. Applying Rate Changes to Customer's Bills**

If a rate change becomes effective during a billing period (and unless the Authority determines otherwise), the Authority will average the old and new rates, weighted by the number of days in the billing period before and after the effective date of the rate change.

**4. Backbilling****a) Backbilling Conditions**

- (1) For Residential Customers, the Authority shall send a backbill within four (4) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill.
- (2) For Nonresidential Customers, the Authority shall send a backbill within six (6) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill, unless that time is extended by a court.
- (3) The Authority shall not issue a backbill if the reason for the underbilling is clear from the Customer's Application or would have been clear, but the Authority failed to get and keep an Application.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****F. Distributed Energy Resources Cost Recovery Rate (continued):****3. Calculation of the Distributed Energy Resources Cost Recovery Rate**

The Distributed Energy Resources Cost Recovery Rate will be calculated separately for Small Customers and Large Customers. For Small Customers and Large Customers separately, the Distributed Energy Resources Cost Recovery Rate will be calculated as the sum of the eligible costs divided by the forecasted energy sales.

- a) The Authority will prepare and retain on file a "Statement of Distributed Energy Resources Cost Recovery Rate". The Statement will be available at the Authority's Business Offices.
- b) The Statement will show the authorized amounts to be recovered and the expected energy sales over which the authorized amounts will be recovered.
- c) The Distributed Energy Resources Cost Recovery Rate will be set annually, effective January 1<sup>st</sup> of each year.
- d) The Distributed Energy Resources Cost Recovery Rate may be reset during the year, based on updated values that have been approved by the Authority Board of Trustees.
- e) The Distributed Energy Resources Cost Recovery Rate will be rounded to the nearest 0.0001 cents per kWh.

**4. Definition of Small and Large Customers**

For purposes of the Distributed Energy Resources Cost Recovery Rate, the following definitions of Small Customers and Large Customers will apply.

- a) The Small Customer Distributed Energy Resources Cost Recovery Rate applies to:
  - (1) Service Classification No. 1 (Rate Codes: 180, 380, 480, 481, 580, 880)
  - (2) Service Classification No. 1-VMRP (Rate Codes: 181, 182, 184, 188)
  - (3) Service Classification No. 2 (Rate Code 280)
  - (4) Service Classification No. 2-VMRP (Rate Code 288)
  - (5) Service Classification Nos. 5, 7, 7A and 10 (Rate Codes 980, 780, 781, 782, 1580, 1581)
  - (6) Service Classification No. 16-AMI (Rate Code M188 and M288)
- b) The Large Customer Distributed Energy Resources Cost Recovery Rate applies to:
  - (1) Service Classification Nos. 2-L, and 2-VMRP (Rate Codes 281, 283, 291, 282, M282)
  - (2) Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)
  - (3) Service Classification Nos. 12 and 13 (Rate Codes 680, 681, 278)
  - ~~(4) Service Classification No. 16-AMI (Rate Codes M282, M284, M285)~~
- c) Retail Customers participating in the Long Island Choice or Green Choice program are subject to the Distributed Energy Resources Cost Recovery Rate according to their base rate Service Classification.
- d) Energy Service Companies (ESCOs) receiving service under Service Classification No. 14 are not subject to the Distributed Energy Resources Cost Recovery Rate.
- e) Energy delivered under the Recharge NY Power Program is not subject to the Distributed Energy Resources Cost Recovery Rate. (Rate Code 680). Energy delivered under Rate Code 680 but not under the Recharge NY Power Program is subject to the Distributed Energy Resources Cost Recovery Rate.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:****I. Revenue Decoupling Mechanism**1. Purpose

The purpose of the Revenue Decoupling Mechanism is to recover approved Delivery Service Revenues from customers. Actual Delivery Service Revenues are reconciled to the approved Delivery Service Revenues through the Revenue Decoupling Mechanism for certain Service Classifications groups, as described below,

2. Definitions

For the purposes of the Revenue Decoupling Mechanism, the following Service Classification groups will apply.

a) Residential

- (1) Service Classification No. 1 (Rate Codes: 180, 380, 480, 481, 580, 880)
- (2) Service Classification No. 1-VMRP (Rate Codes: 181,182,184,188)
- (3) Service Classification No. 16-AMI (Rate Code M188)

b) Small Commercial

- (1) Service Classification No. 2 (Rate Code 280)
- (2) Service Classification No. 2-VMRP (Rate Code 288)
- (3) Service Classification No. 16-AMI (Rate Code M288)

c) Large Commercial excluding mandatory demand metered service with multiple rate periods:

- (1) Service Classification No. 2-L (Rate Codes 281, 283, 291)
- (2) Service Classification No. 2L-VMRP (Rate Codes 282, M282)

~~(3) Service Classification No. 16 (Rate Code M282)~~

d) Mandatory Large Demand Metered Service with Multiple Rate Periods

- (1) Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)

~~(2) Service Classification No. 16-AMI (Rate Code M284, M285)~~

**VIII. SERVICE CLASSIFICATIONS (continued):****B. SERVICE CLASSIFICATION NO. 1-VMRP (L)  
Voluntary Large Residential Service with Multiple Rate Periods:  
(Rate Codes: 181, 182, 184)**1. Who Is Eligible

- a) An existing Customer receiving service under Service Classification Nos. 1 or 1-VMRP who chooses to receive service under this classification and:
  - (1) Uses more than 39,000 kWh annually for the twelve (12) months ending September 30, or
  - (2) Uses more than 12,600 kWh for the 4-month period between June 1 and September 30.
- b) An Applicant eligible to receive service under Service Classification No. 1 whose consumption the Authority estimates will be more than either 39,000 KWH annually or 12,600 KWH between June 1 and September 30.
- c) A Customer, as described in a. through b. above, that has the option under Service Classification Nos. 12 – Backup and Maintenance Service, of choosing to pay the rates and charges associated with a different Service Classification.

~~e)d)-Effective January 1, 2019, this service classification is no longer available to new or transferring customers. Customers may request Service Classification No. 16.~~

2. Character of Service

- a) Continuous, 60 hertz, alternating current.
- b) Approximately 120/208, 120/240, or 277/408 volts, single or three phase, depending on the characteristics of the load and the circuit supplying the service.

**VIII. SERVICE CLASSIFICATIONS (continued):****B. SERVICE CLASSIFICATION NO. 1-VMRP (L)****Voluntary Large Residential Service with Multiple Rate Periods (continued):****(Rate Codes: 181, 182, 184)****Special Provisions (continued):**a) Service for Religious Purposes, Community Residences, or Veterans' Organizations

Customers under this Service Classification who use electricity for religious purposes, for Community Residences, or Veterans' Organizations as specified in Section 76 of the Public Service Law, may apply for a suitable non-residential service after a minimum term of one (1) year.

(1) The transferring Customer shall submit a new Application to the Authority before the transfer, and

(2) The transfer will take place at the Customer's next meter reading.

b) Choosing a Rate

(1) New space-heating Customers shall choose either Rate Code 182 or 184 when they qualify for service.

(2) New non-space-heating Customers shall choose either Rate Code 181 or 184 when they qualify for service.

~~(2)~~(3) Effective January 1, 2019, this service classification is no longer available to new or transferring customers. Customers may request Service Classification No. 16.

c) Transferring Between Rates Under This Service Classification(1) Space-heating Customers

(a) Customers served under Rate Code 184 may request to transfer to Rate Code 182 before, but not after January 1, 2019.

(b) The Customer shall request the transfer, in writing, at least thirty (30) days before the Customer's Anniversary Date, and

(c) The transfer will take place on the Anniversary Date.

(2) Non-space-heating Customers

(a) Customers served under Rate Code 184 may request to transfer to Rate Code 181 before, but not after January 1, 2019.

(b) The Customer shall request the transfer, in writing, at least thirty (30) days before the Customer's Anniversary Date, and

(c) The transfer will take place on the Anniversary Date.

(3) Customers with AMI meters may transfer out of this service classification to Rate Code M188 at anytime.

**VIII. SERVICE CLASSIFICATIONS (continued):****C. SERVICE CLASSIFICATION NO. 1-VMRP(S)****Voluntary Small Residential Service With Multiple Rate Periods:****(Rate Code: 188)**1. Who Is Eligible

a) Qualifying Applicants who will use the service for residential purposes or as specified in Section 76 of the Public Service Law, for religious purposes, a Community Residence, or a post or hall owned or leased by a not-for-profit corporation that is a Veterans' Organization as an alternative to Service Classification No. 1, but who do not qualify for Service Classification No. 1-VMRP(L).

b) A Customer, as described in a. above, that has the option under Service Classification Nos. 12 – Backup and Maintenance Service, of choosing to pay the rates and charges associated with a different Service Classification.

b)c) Effective January 1, 2019, this service classification is no longer available to new or transferring customers. Customers may request Service Classification No. 16.

2. Character of Service

a) Continuous, 60 hertz, alternating current.

b) Approximately 120/208, 120/240 volts, single or three phase, depending on the characteristics of the load and the circuit supplying the service.



**VIII. SERVICE CLASSIFICATIONS (continued):****E. SERVICE CLASSIFICATION NO. 2-VMRP****Voluntary Small General Service With Multiple Rate Periods:**  
**(Rate Code: 288)**1. Who Is Eligible

a) Customers who will use the service on a voluntary basis as an alternative to Service Classification 2, for any purposes other than Residential, when the Authority estimates that the Applicant's demand will be less than 7 KW, subject to Special Provision 7.b. below.

b) ~~b)~~ —A Customer, as described in a. above, that has the option under Service Classification Nos. 12 – Backup and Maintenance Service, of choosing to pay the rates and charges associated with a different Service Classification.

~~b)c)~~ Effective January 1, 2019, this service classification is no longer available to new or transferring customers. Customers may request Service Classification No. 16.

2. Character of Service

a) Continuous, 60 hertz, alternating current.

b) Radial secondary service at approximately 120/208, 120/240 or 277/480 volts, single or three phase; network system 120/208 or 277/480 single or three phase; depending on the size and characteristics of the load and the circuit supplying the service.

**VIII. SERVICE CLASSIFICATIONS (continued):****S. SERVICE CLASSIFICATION NO. 16- AMI****Advanced Metering Initiative Pilot Service:****(Rate Codes: M188, M288, ~~M282, M284, M285~~)**1. Objective

This AMI pilot service is intended to test both a new Advance Metering Infrastructure (AMI) system and time-differentiated rates for residential and non-residential customers in certain geographical areas. Also, the pilot service will allow the Authority to investigate customers' interest in and response to experimental time-differentiated rate structures. The pilot service will be structured as a series of individual experiments, with each experiment evaluating the performance of AMI technology and alternative rate structures in a specific geographic location for a specific mix of residential and/or nonresidential customers. Authorization for this Pilot Service will terminate on ~~September 30, 2018~~ **January 1, 2023** and all individual experiments must be terminated by the Authority Staff on or before that date.

2. Program Requirements

- a) The Authority Staff may, at its sole discretion, create or extend any experiment under this Service Classification that meets the program objective, subject to the following limitations:

~~(1) Enrollment in any one geographic location shall be limited to 2,000 participants.~~

~~(2) Total enrollment in all experiments shall not exceed 10,000 participants at any one time.~~

~~(3) Compensation and incentives for participation shall not exceed the value of the electric service provided to the participant, measured using the rates and charges from participant's former Service Classification. Equipment or services provided to the participant by the Authority, and subsequently removed or discontinued at the termination of participation in the experimental program, shall not be included in the measurement of the compensation or incentive value.~~

~~(4)~~(1) Participation in experimental pricing programs ~~must be~~ **is** voluntary on the part of the customer.

- b) The Authority Staff may, at its sole discretion, terminate any experiment under this Service Classification at any time.

- ~~e) The program's specific operational requirements will be identified on "the Authority Statement of Advanced Metering Initiative Pilot". That Statement will define, for each separate experiment:~~

~~(1) The geographic location of the experiment.~~

~~(2) The duration of the experiment.~~

~~(3) The eligible rate codes for the experiment.~~

~~(4) The maximum number of participants from each rate code.~~

~~Any usage or other customer characteristics which are necessary for participation in the experiment.~~

~~The specific compensation for participation, if any.~~

~~Any other terms or conditions which are necessary to ensure the usefulness and applicability of the experiment and/or its results.~~

**VIII. SERVICE CLASSIFICATIONS (continued):****S. SERVICE CLASSIFICATION NO. 16- AMI****Advanced Metering Initiative Pilot Service (continued):****(Rate Codes: M188, M288, ~~M282, M284, M285~~)****Program Requirements (continued)**3. Program Eligibility/Non-Eligibility

- a) ~~Residential and Small General Service (rate codes 280 and 288) Residential and non-residential~~ Customers who volunteer for the pilot program ~~must be located in the geographic areas where the pilot program is being tested~~ and have AMI installed.
- b) The terms and conditions for Advanced Metering Initiative pilot are contained in Service Classification No. 1-VMRP(S) and 2-VMRP, except as modified below.
- b)c) Qualified participants will be eligible for the pilot, ~~chosen on a first come, first served basis,~~ except that:
  - (1) The Authority Staff has the option to deny participation in the pilot program to any Customer it deems as not contributing to the objectives or requirements of the pilot program. ~~;~~ ~~and~~.
- e)d) Customers who are not eligible to participate in the program include:
  - (1) Customers who receive service under provisions related to Residential Off-Peak Energy Storage served under Service Classification No. 1.
  - (2) Customers who receive some or all of their electric requirements from the New York Power Authority (NYPA).
  - (3) Customers who sell power to the Authority as Qualifying Facilities ~~or are treated as Solar and Wind Electric Generators.~~
  - (4) Customers who receive unmetered service.
  - (5) Customers who receive service under Service Classification Nos. 11, 12 and 13.

**VIII.SERVICE CLASSIFICATIONS (continued):**

**S. SERVICE CLASSIFICATION NO. 16- AMI**

**Advanced Metering Initiative Pilot Service (continued):**  
**(Rate Codes: M188, M288, ~~M282, M284, M285~~)**

4. Residential and Small General Service Time-Differentiated Pricing

Residential and Small General Service (rate codes 280 and 288) Customers participating in the Pilot Service will be charged the rates as stated below.

a) Schedule of Rates (Rate Code M188 and M288)

	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.3600	\$.3600
<del>Meter Charge per day</del>	<del>\$.1000</del>	<del>\$.1000</del>
	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh		
	<u>Period 1</u>	<u>Period 2</u>
7 p.m. to 2 p.m. weekdays and all day Saturday and Sunday	<del>\$.04550469</del>	<del>\$.02960469</del>
	<u>Period 3</u>	<u>Period 4</u>
2 p.m. to 7 p.m. Weekdays	<del>\$.42493342</del>	<del>\$.08041188</del>

All the terms and conditions will apply as described in the Customer's previous rate and Service Classification.

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge and the Delivery Service Adjustment.

c) Minimum Charge

The Minimum Charge is the Service ~~and Meter~~ charge, plus Adjustments to Rates and Charges.

d) ~~Maximum Charge~~

~~For the first 12 months of participation under these rates, the Maximum Charge is no more than what the Customer would have paid under their previous rate and Service Classification for the amount of service actually received over that annual period. Following 12 consecutive months of participation, the Maximum Charge may increase to the amount actually billed to the participant.~~

**VIII. SERVICE CLASSIFICATIONS (continued):****T. SERVICE CLASSIFICATION NO. 16- AMI****Advanced Metering Initiative Pilot Service (continued):****(Rate Codes: M188, M288, ~~M282, M284, M285~~)**~~5. Non-Residential Time-Differentiated Pricing~~~~Non-Residential customers may choose to sign up for the Commercial Modified Time-Differentiated Pricing Program.~~~~a) Non-Residential customers participating in the Commercial Modified Time-Differentiated Pricing program will be eligible to take service under Service Classification Nos. 2L-VMRP or 2-MRP utilizing the modified rating periods as described on Leaf Nos. 212, 213, 226 and 227, depending on the size of the participant's load. All the terms and conditions will apply as described in the above-stated Service Classifications.~~~~b) Adjustments to Rates and Charges~~~~Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, Delivery Service Adjustment and the Securitization Offset Charge.~~~~c) Maximum Charge~~~~On an annual basis, the Maximum Charge is no more than what the Customer would have paid under their previous rate and Service Classification for the amount of service actually received over that annual period. Following 12 consecutive months of participation, the Maximum Charge may increase to the amount actually billed to the participant, so long as that condition is included in the signed agreement with the Customer.~~~~6.5. Special Provisions~~~~a) Exit Provisions~~~~(1) A participant may return to its previous rate at any time with forfeiture of payments, incentives or other specified benefits as may be stipulated in the agreement between the Authority and participants. **In this situation, either:**~~~~(a) The participant's billing will be adjusted to the beginning of their most recent anniversary date, or~~~~If the participant's billing is for an entire twelve (12) month period (based on their anniversary date); the billing will not be adjusted.~~~~(2) The Authority may return a participant to their previous rate, **and make the adjustments to the customer's billing as stated above,** if they do not maintain their account in good standing.~~~~(2)(3) **If a participant on M188 or M288 transfers to a non-time-of-use** A participant that returns to its previous rate is not eligible to return the M188 or M288 for a period of 12 months from its date of exit.~~

## XI. Dynamic Load Management

### A. Direct Load Control Program

#### 1. Purpose and Applicability:

The Direct Load Control (“DLC”) Program allows the Authority to remotely control the Participating Customer’s Control Device to reduce the Customer’s load during an Event. The program utilizes third-party Control Devices Providers to identify Participants and install and manage the Control Devices that meet the Authority’s specifications for communications.

Participation is applicable to Customers served at Primary and Secondary voltage in the Service Classifications listed below in all locations within the Service Area, except for those described in the Statement of Direct Load Control Program Payments.

Service Classification No. 1 (Rate Codes 180, 380, 580, 880; excluding 480 and 481)

Service Classification No. 1-VMRP (L) (Rate Codes 181, 182, 184)

Service Classification No. 1-VMRP(S) (Rate Code 188)

Service Classification No. 2 (Rate Code 280)

Service Classification No. 2-VMRP (Rate Code 288)

Service Classification No. 2-L (Rate Codes 281, 291, 283)

Service Classification No. 2L-VMRP (Rate Codes 282, M282)

Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)

Service Classification No. 16-AMI (Rate Codes M188, M288, ~~M282, M284, M285~~)

#### 2. Eligibility:

To participate under this program, a Customer must have load controllable equipment and agree to the installation of a Control Device.

This program is not available to Customers who participate either directly or indirectly through a third party, under any other Authority or NYISO demand-response program.

The Manager may, in the future, offer an alternate direct load control program through a third-party vendor to customers in a defined geographic area. In coordination with non-wires alternatives such as these, eligibility for the DLC program for Customers within such designated area(s) may be temporarily restricted such that only Customers who have applied to and been rejected from the alternate third-party vendor program will be eligible for enrollment within the Authority’s DLC program. Such restriction on application to the DLC program shall cease upon the earlier of (a) the date on which the alternate program achieves the amount of peak load reduction in the designated area specified by the Manager, and (b) the exclusivity deadline specified by the Manager. A list of geographic areas in which this provision applies will be set forth in the Statement of Direct Load Control Program Payments which will be amended from time to time to reflect new and completed alternate programs.

#### 3. Definitions:

**Control Device:** A device installed on the Customer’s load controllable equipment via a smart plug or embedded control that allows the Authority to remotely control the equipment when an Event is called. For purposes of this program, Control Device means one or more devices as may be required to control the equipment. Each Control Device contains a feature that allows the Customer to override the Authority’s control of the Customer’s equipment. The Control Device must be provided, installed, and connected to the Internet by the Customer or an approved Control Device Provider in a manner that ensures communications between the Authority and the Control Device.

### XIII. Dynamic Load Management

#### A. Commercial System Relief Program

##### 1. Purpose and Availability

The Commercial System Relief Program is being offered by the Authority to enable participating eligible customers to be compensated for reducing their load under certain conditions when called upon by the Authority to do so.

The program is available to any Customer served at transmission, primary or secondary voltage and taking service under one of the Service Classifications shown below; and to any Aggregator that meets the requirements of this Rider.

Service Classification No. 1 (Rate Codes 180, 380, 580, 880; excluding 480, 481)

Service Classification No. 1-VMRP(L) (Rate Codes 181, 182, 184)

Service Classification No. 1-VMRP(S) (Rate Codes 188)

Service Classification No. 2 (Rate Code 280)

Service Classification No. 2-VMRP (Rate Code 288)

Service Classification No. 2-L (Rate Codes 281, 291, 283)

Service Classification No. 2L-VMRP (Rate Codes 282, M282)

Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)

Service Classification Nos. 11, 12, and 13 (Rate Codes 289, 680, 681, 278)

Service Classification No. 16-AMI (Rate Code M188, ~~M282, M284, M285~~, M288)

Customers who take service pursuant to a Net Metering option or the Direct Load Control Program are not eligible to participate in this program.

The Metropolitan Transportation Authority for Traction Power Service to the Long Island Rail Road and Brookhaven National Laboratories pursuant to a Sale for Resale agreement between the Authority and the New York Power Authority (both as referenced on Leaf 271) are not eligible to participate.

##### 2. Definitions:

Aggregator: A party other than the Authority that represents and aggregates the load of Customers who collectively have a Load Relief potential of 50 kW or greater in an Authority Designated Area and is responsible for the actions of the Customers it represents, including performance and, as applicable, repayments to the Authority. A Direct Participant may combine multiple customer locations to meet the Load Relief potential requirements of an aggregator.

Authority Designated Area: An electrically defined area determined by the Authority to be approaching system capacity limits during peak periods. A current list of the Authority Designated Areas will be listed on the Manager's website and payments by area are listed on the Statement of Commercial System Relief Program Payments.

Capability Period: The period during which the Authority can request Load Relief. The Capability Period will be from May 1 through September 30.



### XIII. Dynamic Load Management

#### B. Distribution Load Relief Program

##### 1. Purpose and Availability

The Distribution Load Relief Program is being offered by the Authority to enable participating eligible customers to be compensated for reducing their load under certain conditions when called upon by the Authority to do so.

The program is available to any Customer served at primary or secondary voltage and taking service under one of the Service Classifications shown below; and to any Aggregator that meets the requirements of this Rider.

Service Classification No. 1 (Rate Codes 180, 380, 580, 880; excluding 480, 481)

Service Classification No. 1-VMRP(L) (Rate Codes 181, 182, 184)

Service Classification No. 1-VMRP(S) (Rate Codes 188)

Service Classification No. 2 (Rate Code 280)

Service Classification No. 2-VMRP (Rate Code 288)

Service Classification No. 2-L (Rate Codes 281, 291, 283)

Service Classification No. 2L-VMRP (Rate Codes 282, M282)

Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)

Service Classification Nos. 11, 12, and 13 (Rate Codes 289, 680, 681, 278)

Service Classification No. 16-AMI (Rate Code M188, ~~M282, M284, M285, M288~~)

Customers who take service pursuant to a Net Metering option or the Direct Load Control Program are not eligible to participate in this program.

The Metropolitan Transportation Authority for Traction Power Service to the Long Island Rail Road and Brookhaven National Laboratories pursuant to a Sale for Resale agreement between the Authority and the New York Power Authority (both as referenced on Leaf 271) are not eligible to participate.

##### 2. Definitions:

Aggregator: A party other than the Authority that represents and aggregates the load of Customers who collectively have a Load Relief potential of 50 kW or greater in an Authority Designated Area and is responsible for the actions of the Customers it represents, including performance and, as applicable, repayments to the Authority. A Direct Participant may combine multiple customer locations to meet the Load Relief potential requirements of an Aggregator.

Authority Designated Area: An electrically defined area determined by the Authority to be approaching system capacity limits during peak periods. A current list of the Authority Designated Areas will be listed on the Manager's website and reservation payments by area are listed on the Statement of Distribution Load Relief Program Payments.

Capability Period: The period during which the Authority can request Load Relief. The Capability Period will be from May 1 through September 30.

**APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF FOR ELECTRIC SERVICE RELATED TO LOW INCOME CUSTOMER DISCOUNTS**

---

WHEREAS, pursuant to the Tariff for Electric Service ("Tariff") of the Long Island Power Authority ("LIPA" or the "Authority"), the Authority provides discounted rates and charges in order to improve affordability for low income customers; and

WHEREAS, the New York Public Service Commission (the "PSC"), in Case 14-M-0565, has ordered the regulated utilities to increase their low-income customer discounts and implement tiered discounts with the goal that a New York household's energy costs should constitute no more than six percent of the household's income; and

WHEREAS, the Authority and the Service Provider regularly assess the affordability of rates and charges respecting low-income customers and have determined that an increase in its low-income customer discounts and tiered discount structure consistent with the PSC's Order are warranted; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on April 11, 2018, two public hearings were held in Nassau and Suffolk counties on June 4, 2018, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to the Authority's Tariff are hereby adopted and approved to be effective August 1, 2018; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

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**I. General Information (continued):**

**C. General Terms and Conditions (continued):**

**21. Low Income Program Discount**

**a) Customer Requirements and Eligibility**

- (1) Customers served under Service Classifications No. 1 and Service Classification No.1 VMRP who provide documentation of enrollment in a qualifying program as listed in Section I.B (Qualifying Low Income Customer) and are eligible for a fixed discount on their bill.
- (2) Eligibility and enrollment must be renewed each year. To the extent that the Authority can automatically determine a Qualifying Low Income Customer's continued eligibility, the customer will not need to re-apply.
- (3) Qualifying Low Income Customers whose continued eligibility cannot be automatically determined will be notified by the Authority as their enrollments expire. The Authority will allow such customers four (4) months from the expiration of their enrollments (the "Grace Period") to complete the renewal process. During the Grace Period, Qualifying Low Income Customers will continue to receive discounted charges. Qualifying Low Income Customers who do not complete the renewal process within the Grace Period and whose continued eligibility cannot be automatically determined by the Authority will become ineligible for the discounted charges until the renewal process is successfully completed.
- (4) The Authority may in its sole discretion limit participation in Long Island Choice by Qualifying Low Income Customers (defined in Section I.B above) as needed for consistency with New York State policy as set forth in Orders of the Public Service Commission.

**b) Discounts**

- (1) The Tier 1 discount is available to all Qualifying Low Income Customers. Customers that have received a HEAP benefit plus one (1) add-on shall receive the Tier 2 discount. Customers that have received a HEAP benefit plus two (2) add-ons shall receive the Tier 3 discount. The Tier 4 discount is reserved for customers with Direct Voucher/Guaranteed Payment. HEAP recipients receive add-ons for households with a vulnerable individual (household member who is age 60 or older, under age 6 or permanently disabled) and/or if the household's gross income meets HEAP Tier 1 income guideline.

<b>Tier</b>	<b>Electric Heat (Rates 580 and 880)</b>	<b>Electric Non-Heat (Rates 180, 380 and 188)</b>
1	\$.67 per day	\$.67 per day
2	\$1.33 per day	\$.67 per day
3	\$2.00 per day	\$.67 per day
4	\$1.40 per day	\$1.40 per day

**I. General Information (continued):****C. General Terms and Conditions (continued):****c) Billing**

- (1) Upon enrollment (or, for customers already enrolled as of the effective date of this Leaf, upon renewal), each Qualifying Low Income Customer who is (a) eligible for a Balanced Billing Plan (in accordance with Section IV D. 2); (b) not already enrolled in a Balanced Billing Plan; and (c) not a participant in the Division of Social Service direct voucher payment program will be notified that the Authority will enroll the customer in a Balanced Billing Plan unless the customer prefers to remain on standard billing. After a reasonable opportunity to decline Balanced Billing has been provided, any such Qualifying Low Income Customer who does not decline will be enrolled in a Balanced Billing Plan.
- (2) If the total bill credit identified in C.21.b) (1) exceeds the charges for the entire billing period including Power Supply Charge, the current billing period's discount will equal the total bill for that period.

**d) Reconnection Charges**

- (1) As per section V.H.3.d) the "Reconnection Charge" will not apply to Qualifying Low-Income Customers receiving financial assistance from a local social services department.

**V. Termination of Service (continued):****H. Reconnection of Service (continued):****Conditions for Reconnection or Provision of Nonresidential Service (continued):**

- e) If a Nonresidential Customer's service is terminated because the electricity is used by the Customer with equipment which has a negative effect on or interferes with the operation of the facilities of the Authority, of its Customers, or of another public service company, the Authority does not have to reconnect service until the Customer:
    - (1) Stops using the equipment, or
    - (2) Installs equipment that will correct the negative effect or interferences.
  - f) If a Nonresidential Customer's service is terminated for two (2) or more of the reasons in a., b., c., d., or e. above, the Authority will reconnect service when the Customer requests reconnection and meets all the conditions required. Service will be reconnected within twenty-four (24) hours after the last condition is met.
3. Conditions for "Reconnection Charge" for Residential & Nonresidential Customers
- a) When the Authority reconnects a Customer's electric service that has been terminated for nonpayment of bills, a Reconnection Charge will be billed to the Customer after the reconnection of service.
    - (1) A Nonresidential customer will be charged a Field Collection Charge in addition to the Reconnection Charge (see Section V.B.11.d on Leaf No. 124).
    - (2) Residential customers will not be charged a Field Collection Charge in addition to the Reconnection Charge (see Section V.B.11.d on Leaf No. 124).
  - b) A Reconnection Charge will also be billed when a customer requests termination of service and then reapplies for service at the same premises within a twelve (12) month period.
  - c) The Authority's charges for reconnection of electric service are stated in Section IV.C.7.
  - d) A "Reconnection Charge" will not apply to low-income Customers receiving financial assistance from a local social services department.

**VIII. SERVICE CLASSIFICATIONS: (continued):**

**A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):  
(Rate Codes: 180, 380, 480, 481, 580, 880)**

3. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service code are set forth below.

<u>Rate Code 180</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
<del>Reduced Service Charge per Day (see Special Provisions for eligibility)</del>	<del>\$.0090</del>	<del>\$.0090</del>
<del>Reduced Energy Charge; First 250 kWh (see Special Provisions for eligibility)</del>	<del>\$.0532</del>	<del>\$.0532</del>
Energy Charge per kWh per month		
First 250 kWh @	\$.0711	\$.0711
Over 250 kWh @	\$.0899	\$.0711

<u>Rate Code 380 (Water Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
<del>Reduced Service Charge per Day (see Special Provisions for eligibility)</del>	<del>\$.0090</del>	<del>\$.0090</del>
<del>Reduced Energy Charge; First 250 kWh (see Special Provisions for eligibility)</del>	<del>\$.0532</del>	<del>\$.0532</del>
	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh per month		
First 250 kWh @	\$.0711	\$.0711
Next 150 kWh @	\$.0899	\$.0711
Next 400 kWh @	\$.0684	\$.0572
Over 800 kWh @	\$.0899	\$.0711

**VIII. SERVICE CLASSIFICATIONS: (continued):**

**A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):**  
**(Rate Codes: 180, 380, 480, 481, 580, 880)**  
**Rates and Charges per Meter (continued):**

<u>Rate Code 580 (Space Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
<del>Reduced Service Charge per Day (see Special Provisions for eligibility)</del>	<del>\$.0090</del>	<del>\$.0090</del>
<del>Reduced Energy Charge; First 250 kWh (see Special Provisions for eligibility)</del>	<del>\$.0332</del>	<del>\$.0332</del>
Energy Charge per kWh per month		
First 250 kWh @	\$.0711	\$.0711
Next 150 kWh @	\$.0899	\$.0711
Over 400 kWh @	\$.0899	\$.0401

<u>Rate Code 880 (Space and Water Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
<del>Reduced Service Charge per Day (see Special Provisions for eligibility)</del>	<del>\$.0090</del>	<del>\$.0090</del>
<del>Reduced Energy Charge; First 250 kWh (see Special Provisions for eligibility)</del>	<del>\$.0332</del>	<del>\$.0332</del>
Energy Charge per kWh per month		
First 250 kWh @	\$.0711	\$.0711
Next 150 kWh @	\$.0899	\$.0711
Next 400 kWh @	\$.0684	\$.0401
Over 800 kWh @	\$.0899	\$.0401

<u>Rate Code 480, 481</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.3200	\$.3200
Energy Charge per kWh per month		
12:00 midnight to 7:00 a.m. (Standard Time) or	\$.0124	\$.0124
10:00 p.m. to 10:00 a.m. (Standard Time)	\$.0138	\$.0138



**VIII. SERVICE CLASSIFICATIONS: (continued):****A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):  
(Rate Codes: 180, 380, 480, 481, 580, 880)****Special Provisions (continued):**

- (d) Is permanently connected to segregated circuits and metered separately. The Customer will provide a suitable and protected location, with easy access, for the Authority's metering equipment, and
  - (e) Its power rating can be adequately served from existing distribution facilities including a control device rated at forty (40) amperes. If the distribution facilities, including the control device, need modification, the Customer or Applicant will pay in advance for that part of the modification needed only to supply the needs of this provision, and
  - (f) The Authority has the right to inspect the installations and connected equipment at any time.
- a) Two-Phase Service
- Two-phase service is no longer available. Any Customer receiving two-phase service under this Service Classification will continue to receive the service until other arrangements are made.
- b) Service for Religious Purposes, Community Residences, or Veterans' Organizations
- (1) Customers under this Service Classification who use electricity for religious purposes, for Community Residences, or Veterans' Organizations as specified in A.1.a. above, may apply for a suitable non-residential service after a minimum term of one (1) year.
  - (2) The transferring Customer shall submit a new Application to the Authority before the transfer, and the transfer will take place at the time of the Customer's next meter reading.

~~Reduced Service Charge for Qualifying Low Income Customers~~

~~Customers who provide documentation of enrollment in a qualifying program as listed in Section 1.B. above are deemed to be Qualifying Low Income Customers and are eligible for the Reduced Service Charge and the Reduced Energy Charge.~~

**VIII. SERVICE CLASSIFICATIONS: (continued):****A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):  
(Rate Codes: 180, 380, 480, 481, 580, 880)  
Special Provisions (continued):**

~~(3) Eligibility and enrollment must be renewed each year. To the extent that the Authority can automatically determine a Qualifying Low Income Customer's continued eligibility, the customer will not need to re-apply. Qualifying Low Income Customers whose continued eligibility cannot be automatically determined will be notified by the Authority as their enrollments expire. The Authority will allow such customers four (4) months from the expiration of their enrollments (the "Grace Period") to complete the renewal process. During the Grace Period, Qualifying Low Income Customers will continue to receive discounted charges. Qualifying Low Income Customers who do not complete the renewal process within the Grace Period and whose continued eligibility cannot be automatically determined by the Authority will become ineligible for the discounted charges until the renewal process is successfully completed.~~

~~(4)(3) Upon enrollment (or, for customers already enrolled as of the effective date of this Leaf, upon renewal), each Qualifying Low Income Customer who is (a) eligible for a Balanced Billing Plan; (b) not already enrolled in a Balanced Billing Plan; and (c) not a participant in the Division of Social Service direct voucher payment program will be notified that the Authority will enroll the customer in a Balanced Billing Plan unless the customer prefers to remain on standard billing. After a reasonable opportunity to decline Balanced Billing has been provided, any such Qualifying Low Income Customer who does not decline will be enrolled in a Balanced Billing Plan.~~

**VIII. SERVICE CLASSIFICATIONS (continued):**

**D. SERVICE CLASSIFICATION NO. 1-VMRP(S)**

**Voluntary Small Residential Service With Multiple Rate Periods (continued):**  
**(Rate Code: 188)**

3. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service code are found below.

<u>All Rate Codes</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.3600	\$.3600
Meter Charge per day	\$.1000	\$.1000
<del>Reduced Service Charge per day (see Special Provisions for eligibility)</del>	<del>\$.0090</del>	<del>\$.0090</del>
<del>Reduced Meter Charge per day</del>	<del>\$.0010</del>	<del>\$.0010</del>
<u>Rate Codes 188</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh		
<u>Daylight Savings Time*</u> 8 p.m. to 10 a.m., and Saturday and Sunday	<u>Period 1</u> \$.0455	<u>Period 2</u> \$.0296
<u>Daylight Savings Time*</u> 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u> \$.2880	<u>Period 4</u> \$.0801

\* See Paragraph IV. A. 10. "Daylight Savings Time" on leaf No. 99.

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

4. Minimum Charge

The Minimum Charge is the Service and Meter Charges, plus Adjustments to Rates and Charges.

**VIII. SERVICE CLASSIFICATIONS (continued):****C. SERVICE CLASSIFICATION NO. 1-VMRP(S)****Voluntary Small Residential Service With Multiple Rate Periods (continued):****(Rate Code: 188)**5. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late Payments shall be subject to Late Payment Charges.

6. Term of Service

The Authority will provide service to the Customer for one (1) year from the start of service and renewed annually after that, unless service is terminated either by the Customer or the Authority.

- a) The Customer shall give the Authority five (5) days written notice before its Anniversary Date when requesting termination of service.
- b) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff.
- c) The Authority will not renew service within one (1) year of termination at the same location for the same customer.

7. Special Provisionsa) Service for Religious Purposes, Community Residences, or Veterans' Organizations

Customers under this Service Classification who use electricity for religious purposes, for Community Residences, or Veterans' Organizations as specified in C.1.a), may apply for a suitable non-residential service after a minimum term of one (1) year.

- (1) The transferring Customer shall submit a new Application to the Authority before the transfer, and
- (2) The transfer will take place at the time of the Customer's next meter reading.

~~b) Reduced Service Charge for Qualifying Low Income Customers~~

- ~~- (1) Customers who provide documentation of enrollment in a qualifying program as listed in Section 1.B. above are deemed to be Qualifying Low Income Customers and are eligible for the Reduced Service Charge and the Reduced Meter Charge.~~

**VIII. SERVICE CLASSIFICATIONS (continued):****C. SERVICE CLASSIFICATION NO. 1-VMRP(S)****Voluntary Small Residential Service With Multiple Rate Periods (continued):****(Rate Code: 188)****Special Provisions (continued):**

~~(2) Eligibility and enrollment must be renewed each year. To the extent that the Authority can automatically determine a Qualifying Low Income Customer's continued eligibility, the customer will not need to re-apply. Qualifying Low Income Customers whose continued eligibility cannot be automatically determined will be notified by the Authority as their enrollments expire. The Authority will allow such customers four (4) months from the expiration of their enrollments (the "Grace Period") to complete the renewal process. During the Grace Period, Qualifying Low Income Customers will continue to receive discounted charges. Qualifying Low Income Customers who do not complete the renewal process within the Grace Period and whose continued eligibility cannot be automatically determined by the Authority will become ineligible for discounted charges until the renewal process is successfully completed.~~

~~(3)(2) Upon enrollment (or, for customers already enrolled as of the effective date of this Leaf, upon renewal), each Qualifying Low Income Customer who is (a) eligible for a Balanced Billing Plan; (b) not already enrolled in a Balanced Billing Plan; and (c) not a participant in the Division of Social Service direct voucher payment program will be notified that the Authority will enroll the customer in a Balanced Billing Plan unless the customer prefers to remain on standard billing. After a reasonable opportunity to decline Balanced Billing has been provided, any such Qualifying Low Income Customer who does not decline will be enrolled in a Balanced Billing Plan.~~

**IX. Long Island Choice Program (continued):****A. General Provisions (continued):**2. Who is Eligible

- a) In order to participate in the Long Island Choice Program, an Eligible Customer is a Customer who is eligible for service under Service Classification Nos. 1, 1-VMRP(L), 1-VMRP(S), 2, 2-VMRP, 2L, 2L-VMRP, or 2-MRP, 5, 7, 7A, 10 and:
  - (1) Receives metered or authorized unmetered electric service from the Authority, and
  - (2) Receives all of their electric requirements from a single supplier except for the output from Solar or Wind Electric Generating Equipment that qualifies for net metering, and
  - (3) Is not explicitly excluded in 2.b), below, and
  - (4) Is licensed by the Authority as a Direct Retail Customer (DRC) or contracts with a licensed Energy Services Company (ESCO) to act as its agent for the scheduling and delivery of Electric Generation Service, and
  - (5) During those phases of the Program where total participation is limited, has been accepted into the Program by the Authority.
- b) Customers who are not eligible to participate in the LI Choice Program are:
  - (1) Customers who receive service under Service Classification Nos. 11, 12 and 13.
  - (2) Customers who sell power to the Authority as Qualifying Facilities or Solar, Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cells and Wind Customer-Generators that do not qualify for net metering.
  - (3) Customers who receive a portion of their electric requirements from self-generation or on-site generation that does not qualify for net metering, and require supplemental, backup or maintenance service from the Authority.
  - (4) Customers who receive service under provisions related to Residential Off-Peak Energy Storage served under Service Classification No. 1.
  - (5) ~~The Authority may in its sole discretion limit participation in Long Island Choice by Qualifying Low Income Customers (defined in Section 1.B above) as needed for consistency with New York state policy as set forth in Orders of the Public Service Commission.~~

## **Proposal Concerning Modifications to LIPA's Tariff for Electric Service**

### **Requested Action:**

The Long Island Power Authority (the "Authority") staff proposes to modify the Tariff for Electric Service ("Tariff") effective August 1, 2018 to further improve the affordability of its rates and charges for customers with low incomes by introducing customer discounts that are tiered according to customer needs. The proposed changes are consistent with similar changes being made by other utilities in New York State pursuant to recent orders of the New York Public Service Commission ("PSC").

### **Background:**

In January 2015, the PSC initiated a regulatory proceeding to examine the low-income customer programs offered by the major electric and gas utilities in New York State with the purpose of standardizing utility low income programs to reflect best practices. The Commission directed Staff of the Department of Public Service to conduct an examination of the utility low income programs in order to identify best practices, evaluate the effectiveness of the current low-income program designs, and develop a set of recommendations improvements.

Following a period of study and analysis by the Department of Public Service and comments from utilities and the public, the PSC issued an order in May 2016 setting forth policy guidelines and modifications to the low income programs of the State's utilities. *See* Order Adopting Low Income Program Modifications and Directing Utility Filings, in Case 14-M-0565 (May 16, 2016) (the "PSC Order").

The Order identified utility best practices for energy affordability and announced a policy that a New York household's energy burden should constitute no more 6% of the household's income. In response to the PSC Order, the regulated utilities implemented increases to their low income customer discounts and have implemented tiered<sup>1</sup> discounts with the goal of providing discounts that lower the energy burden on low income customers towards 6% of household income.

On September 27, 2017, the Authority's Board of Trustees approved the first step in a plan to gradually implement low-income customer discounts consistent with the PSC Order, raising its existing discounts to \$20 per month for residential customers whose homes are heated with electricity and \$15 per month for those whose homes are heated by other means. The Authority indicated at the time that it intended to begin offering tiered discounts in 2018.

In the fourth quarter of 2017, the Authority also made operational improvements to its low-income customer program: (1) allowing four additional months from the enrollment expiration date for customers to complete re-enrollment in order to prevent disruptions in low income customers' monthly receipt of discounts and to avoid unnecessary program enrollment changes by the service provider; (2) enrolling low income customers in the balanced billing program by default unless such customers choose to remain on standard billing; (3) protecting low income customers from energy service companies ("ESCOs") in light of evidence that low income customers generally paid more to ESCOs for energy than such customers would pay to a utility<sup>2</sup>; and (4) increasing participation in the low-income discount

<sup>1</sup> Tiered discounts provide additional benefits to low income customers with additional burdens including vulnerable individuals (a household member who is age 60 or older, under age 6 or permanently disabled) or those with incomes at or below 130% of the federal poverty level.

<sup>2</sup> Order Adopting a Prohibition on Service to Low-Income Customers by Energy Service Companies, in Case 12-M-0476 (Dec. 16, 2016); *see also Nat'l Energy Marketers Ass'n v. N.Y. State Pub. Serv. Comm'n*, Index No. 5860-16

program through enhanced outreach efforts and intensified social media, print, email and other measures to promote program participation.

**Proposal:**

Staff is requesting to further enhance the Authority’s low-income customer discount program by introducing a tiered system of low-income discounts consistent with the PSC Order, which calls for benefit levels that vary based on a customer’s level of need targeting a total household energy burden of no more than 6% of household income. To effectuate this, Staff proposes to implement a four-tiered system with escalating discount levels for customers in higher tiers representing greater need.

Eligibility for the Authority’s low-income customer discounts (and the appropriate tier) will be determined based on the customer’s participation in one or more qualifying public assistance programs, which include: Home Energy Assistance Program (HEAP); Medicaid; Supplemental Nutrition Assistance Program (SNAP); Supplemental Security Income (SSI); Temporary Assistance – Family Assistance (FA); Temporary Assistance-Safety Net Assistance (SNA); United States Veterans Administration – Veteran’s Pension or Veteran’s Surviving Spouse Pension.

Tier 1 (the lowest level discount) will be available to any residential customer that participates in at least one qualifying public assistance program, unless they qualify for Tier 4. Tiers 2 and 3 will be available to qualifying customers who receive HEAP add-ons<sup>3</sup>. Tier 4 is reserved for residential customers enrolled in a Department of Social Services Direct Voucher/Guaranteed Payment program which represents a higher level of need than the other qualifying assistance programs.

The proposed tier discounts are shown in the table below:

<b>Low Income Discount Tiers</b>		<b>Discount per Month \$</b>
Tier 1	Qualifying Low Income Customers or Customers that have received a HEAP benefit.	Non-Heat \$20 Electric Heat \$20
Tier 2	Customers that have received a HEAP benefit plus 1 add-on	Non-Heat \$20 Electric Heat \$40
Tier 3	Customers that have received a HEAP benefit plus 2 add-ons	Non-Heat \$20 Electric Heat \$60
Tier 4	Department of Social Services Direct Voucher/Guaranteed Payment recipients of utility bill payment assistance.	Non-Heat \$42 Electric Heat \$42

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(Albany Cnty. Sup. Ct. June 30, 2017). The NYPSC subsequently granted limited waivers to its policy to prohibit ESCOs from serving low-income customers where a few ESCOs guaranteed low-income customer savings. We will review the final PSC order in the statewide ESCO proceeding and propose further changes for Long Island as appropriate.

<sup>3</sup> The HEAP program offers a standard payment to offset a participant’s annual heating costs. The HEAP program will increase this standard payment if the household’s gross income is below a set range and/or if the household contains a vulnerable individual (household member who is age 60 or older, under age 6 or permanently disabled). These extra payment(s) are referred to as an add-on(s) to the standard HEAP payment.



**Staged Implementation:**

For this proposal, the Tier 1, 2, 3 and 4 discounts will provide an approximate 6.5% energy burden. Staff proposes to implement a further increase to the amount of the Tier 1-4 to bring customer's energy burden to 6% by 2020. The future Tier 1 discount to produce an energy burden under 6% is currently estimated to be calculated as \$28.00, but this estimate will be updated in 2019 using the latest available information and a final proposed level of discounts will be presented to the Board as part of the 2019 budget proposal.

**Financial Impacts:**

The financial impact of increasing the low-income customer discounts depends on levels of customer participation in the program. Based on 2018 expected levels of participation (approximately 20,000 non-heat customers and approximately 3,000 heating customers), the incremental impact of the proposal for August 2018 is estimated to be approximately \$2,900,000 for the first year. The current estimate of the 2019 impact results in an incremental \$1,500,000, for a total of approximately \$4,400,000. The projected low-income discounts will be recovered from residential customers, conforming to the Authority's current policy and the State-wide policy adopted by the PSC.

**Proposed Tariff Changes:**

To improve the affordability of the Authority's rates and charges for low income customers and align more closely with the PSC policy adopted by the rest of the State.

**Affected Tariff Leaves:** Leaf 1, 38B, 38C, 156 (no change, included for comprehension) 184, 185, 188, 188A, 195, 196, 196A and 281.

**Summary of Proposed Changes:**

In summary, the proposed changes to LIPA's Tariff for Electric Service will improve the affordability of the Authority's rates and charges for low-income customers and further align with the PSC policies adopted for the rest of the State.

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**I. General Information (continued):**

**C. General Terms and Conditions (continued):**

**21. Low Income Program Discount**

**a) Customer Requirements and Eligibility**

- (1) Customers served under Service Classifications No. 1 and Service Classification No.1 VMRP who provide documentation of enrollment in a qualifying program as listed in Section I.B (Qualifying Low Income Customer) and are eligible for a fixed discount on their bill.
- (2) Eligibility and enrollment must be renewed each year. To the extent that the Authority can automatically determine a Qualifying Low Income Customer's continued eligibility, the customer will not need to re-apply.
- (3) Qualifying Low Income Customers whose continued eligibility cannot be automatically determined will be notified by the Authority as their enrollments expire. The Authority will allow such customers four (4) months from the expiration of their enrollments (the "Grace Period") to complete the renewal process. During the Grace Period, Qualifying Low Income Customers will continue to receive discounted charges. Qualifying Low Income Customers who do not complete the renewal process within the Grace Period and whose continued eligibility cannot be automatically determined by the Authority will become ineligible for the discounted charges until the renewal process is successfully completed.
- (4) The Authority may in its sole discretion limit participation in Long Island Choice by Qualifying Low Income Customers (defined in Section I.B above) as needed for consistency with New York State policy as set forth in Orders of the Public Service Commission.

**b) Discounts**

- (1) The Tier 1 discount is available to all Qualifying Low Income Customers. Customers that have received a HEAP benefit plus one (1) add-on shall receive the Tier 2 discount. Customers that have received a HEAP benefit plus two (2) add-ons shall receive the Tier 3 discount. The Tier 4 discount is reserved for customers with Direct Voucher/Guaranteed Payment. HEAP recipients receive add-ons for households with a vulnerable individual (household member who is age 60 or older, under age 6 or permanently disabled) and/or if the household's gross income meets HEAP Tier 1 income guideline.

<b>Tier</b>	<b>Electric Heat (Rates 580 and 880)</b>	<b>Electric Non-Heat (Rates 180, 380 and 188)</b>
1	\$.67 per day	\$.67 per day
2	\$1.33 per day	\$.67 per day
3	\$2.00 per day	\$.67 per day
4	\$1.40 per day	\$1.40 per day

**I. General Information (continued):****C. General Terms and Conditions (continued):****c) Billing**

- (1) Upon enrollment (or, for customers already enrolled as of the effective date of this Leaf, upon renewal), each Qualifying Low Income Customer who is (a) eligible for a Balanced Billing Plan (in accordance with Section IV D. 2); (b) not already enrolled in a Balanced Billing Plan; and (c) not a participant in the Division of Social Service direct voucher payment program will be notified that the Authority will enroll the customer in a Balanced Billing Plan unless the customer prefers to remain on standard billing. After a reasonable opportunity to decline Balanced Billing has been provided, any such Qualifying Low Income Customer who does not decline will be enrolled in a Balanced Billing Plan.
- (2) If the total bill credit identified in C.21.b) (1) exceeds the charges for the entire billing period including Power Supply Charge, the current billing period's discount will equal the total bill for that period.

**d) Reconnection Charges**

- (1) As per section V.H.3.d) the "Reconnection Charge" will not apply to Qualifying Low-Income Customers receiving financial assistance from a local social services department.

**V. Termination of Service (continued):****H. Reconnection of Service (continued):****Conditions for Reconnection or Provision of Nonresidential Service (continued):**

- e) If a Nonresidential Customer's service is terminated because the electricity is used by the Customer with equipment which has a negative effect on or interferes with the operation of the facilities of the Authority, of its Customers, or of another public service company, the Authority does not have to reconnect service until the Customer:
    - (1) Stops using the equipment, or
    - (2) Installs equipment that will correct the negative effect or interferences.
  - f) If a Nonresidential Customer's service is terminated for two (2) or more of the reasons in a., b., c., d., or e. above, the Authority will reconnect service when the Customer requests reconnection and meets all the conditions required. Service will be reconnected within twenty-four (24) hours after the last condition is met.
3. Conditions for "Reconnection Charge" for Residential & Nonresidential Customers
- a) When the Authority reconnects a Customer's electric service that has been terminated for nonpayment of bills, a Reconnection Charge will be billed to the Customer after the reconnection of service.
    - (1) A Nonresidential customer will be charged a Field Collection Charge in addition to the Reconnection Charge (see Section V.B.11.d on Leaf No. 124).
    - (2) Residential customers will not be charged a Field Collection Charge in addition to the Reconnection Charge (see Section V.B.11.d on Leaf No. 124).
  - b) A Reconnection Charge will also be billed when a customer requests termination of service and then reapplies for service at the same premises within a twelve (12) month period.
  - c) The Authority's charges for reconnection of electric service are stated in Section IV.C.7.
  - d) A "Reconnection Charge" will not apply to low-income Customers receiving financial assistance from a local social services department.

**VIII. SERVICE CLASSIFICATIONS: (continued):**

**A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):  
(Rate Codes: 180, 380, 480, 481, 580, 880)**

3. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service code are set forth below.

<u>Rate Code 180</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
<del>Reduced Service Charge per Day (see Special Provisions for eligibility)</del>	<del>\$.0090</del>	<del>\$.0090</del>
<del>Reduced Energy Charge; First 250 kWh (see Special Provisions for eligibility)</del>	<del>\$.0532</del>	<del>\$.0532</del>
Energy Charge per kWh per month		
First 250 kWh @	\$.0711	\$.0711
Over 250 kWh @	\$.0899	\$.0711

<u>Rate Code 380 (Water Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
<del>Reduced Service Charge per Day (see Special Provisions for eligibility)</del>	<del>\$.0090</del>	<del>\$.0090</del>
<del>Reduced Energy Charge; First 250 kWh (see Special Provisions for eligibility)</del>	<del>\$.0532</del>	<del>\$.0532</del>
Energy Charge per kWh per month		
First 250 kWh @	\$.0711	\$.0711
Next 150 kWh @	\$.0899	\$.0711
Next 400 kWh @	\$.0684	\$.0572
Over 800 kWh @	\$.0899	\$.0711

**VIII. SERVICE CLASSIFICATIONS: (continued):**

**A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):**  
**(Rate Codes: 180, 380, 480, 481, 580, 880)**  
**Rates and Charges per Meter (continued):**

<u>Rate Code 580 (Space Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
<del>Reduced Service Charge per Day (see Special Provisions for eligibility)</del>	<del>\$.0090</del>	<del>\$.0090</del>
<del>Reduced Energy Charge; First 250 kWh (see Special Provisions for eligibility)</del>	<del>\$.0332</del>	<del>\$.0332</del>
Energy Charge per kWh per month		
First 250 kWh @	\$.0711	\$.0711
Next 150 kWh @	\$.0899	\$.0711
Over 400 kWh @	\$.0899	\$.0401

<u>Rate Code 880 (Space and Water Heating)</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per Day	\$.3600	\$.3600
<del>Reduced Service Charge per Day (see Special Provisions for eligibility)</del>	<del>\$.0090</del>	<del>\$.0090</del>
<del>Reduced Energy Charge; First 250 kWh (see Special Provisions for eligibility)</del>	<del>\$.0332</del>	<del>\$.0332</del>
Energy Charge per kWh per month		
First 250 kWh @	\$.0711	\$.0711
Next 150 kWh @	\$.0899	\$.0711
Next 400 kWh @	\$.0684	\$.0401
Over 800 kWh @	\$.0899	\$.0401

<u>Rate Code 480, 481</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.3200	\$.3200
Energy Charge per kWh per month		
12:00 midnight to 7:00 a.m. (Standard Time) or	\$.0124	\$.0124
10:00 p.m. to 10:00 a.m. (Standard Time)	\$.0138	\$.0138

**VIII. SERVICE CLASSIFICATIONS: (continued):****A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):  
(Rate Codes: 180, 380, 480, 481, 580, 880)****Special Provisions (continued):**

- (d) Is permanently connected to segregated circuits and metered separately. The Customer will provide a suitable and protected location, with easy access, for the Authority's metering equipment, and
  - (e) Its power rating can be adequately served from existing distribution facilities including a control device rated at forty (40) amperes. If the distribution facilities, including the control device, need modification, the Customer or Applicant will pay in advance for that part of the modification needed only to supply the needs of this provision, and
  - (f) The Authority has the right to inspect the installations and connected equipment at any time.
- a) Two-Phase Service
- Two-phase service is no longer available. Any Customer receiving two-phase service under this Service Classification will continue to receive the service until other arrangements are made.
- b) Service for Religious Purposes, Community Residences, or Veterans' Organizations
- (1) Customers under this Service Classification who use electricity for religious purposes, for Community Residences, or Veterans' Organizations as specified in A.1.a. above, may apply for a suitable non-residential service after a minimum term of one (1) year.
  - (2) The transferring Customer shall submit a new Application to the Authority before the transfer, and the transfer will take place at the time of the Customer's next meter reading.

~~Reduced Service Charge for Qualifying Low Income Customers~~

~~Customers who provide documentation of enrollment in a qualifying program as listed in Section 1.B. above are deemed to be Qualifying Low Income Customers and are eligible for the Reduced Service Charge and the Reduced Energy Charge.~~



**VIII. SERVICE CLASSIFICATIONS: (continued):****A. SERVICE CLASSIFICATION NO. 1 - Residential Service (continued):  
(Rate Codes: 180, 380, 480, 481, 580, 880)  
Special Provisions (continued):**

~~(3) Eligibility and enrollment must be renewed each year. To the extent that the Authority can automatically determine a Qualifying Low Income Customer's continued eligibility, the customer will not need to re-apply. Qualifying Low Income Customers whose continued eligibility cannot be automatically determined will be notified by the Authority as their enrollments expire. The Authority will allow such customers four (4) months from the expiration of their enrollments (the "Grace Period") to complete the renewal process. During the Grace Period, Qualifying Low Income Customers will continue to receive discounted charges. Qualifying Low Income Customers who do not complete the renewal process within the Grace Period and whose continued eligibility cannot be automatically determined by the Authority will become ineligible for the discounted charges until the renewal process is successfully completed.~~

~~(4)(3) Upon enrollment (or, for customers already enrolled as of the effective date of this Leaf, upon renewal), each Qualifying Low Income Customer who is (a) eligible for a Balanced Billing Plan; (b) not already enrolled in a Balanced Billing Plan; and (c) not a participant in the Division of Social Service direct voucher payment program will be notified that the Authority will enroll the customer in a Balanced Billing Plan unless the customer prefers to remain on standard billing. After a reasonable opportunity to decline Balanced Billing has been provided, any such Qualifying Low Income Customer who does not decline will be enrolled in a Balanced Billing Plan.~~

**VIII. SERVICE CLASSIFICATIONS (continued):**

**D. SERVICE CLASSIFICATION NO. 1-VMRP(S)**

**Voluntary Small Residential Service With Multiple Rate Periods (continued):**  
**(Rate Code: 188)**

3. Rates and Charges per Meter:

a) Schedule of Rates

The rates for this service code are found below.

<u>All Rate Codes</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Service Charge per day	\$.3600	\$.3600
Meter Charge per day	\$.1000	\$.1000
<del>Reduced Service Charge per day (see Special Provisions for eligibility)</del>	<del>\$.0090</del>	<del>\$.0090</del>
<del>Reduced Meter Charge per day</del>	<del>\$.0010</del>	<del>\$.0010</del>
<u>Rate Codes 188</u>	<u>June to September Inclusive</u>	<u>October to May Inclusive</u>
Energy Charge per kWh		
<u>Daylight Savings Time*</u> 8 p.m. to 10 a.m., and Saturday and Sunday	<u>Period 1</u> \$.0455	<u>Period 2</u> \$.0296
<u>Daylight Savings Time*</u> 10 a.m. to 8 p.m. Weekdays	<u>Period 3</u> \$.2880	<u>Period 4</u> \$.0801

\* See Paragraph IV. A. 10. "Daylight Savings Time" on leaf No. 99.

b) Adjustments to Rates and Charges

Each Customer's bill will be adjusted for the Power Supply Charge, Increases in Rates and Charges to Recover PILOT Payments, the Shoreham Property Tax Settlement Rider, the Distributed Energy Resources Cost Recovery Rate, the New York State Assessment Factor, Revenue Decoupling Mechanism, the Securitization Offset Charge, and the Delivery Service Adjustment.

4. Minimum Charge

The Minimum Charge is the Service and Meter Charges, plus Adjustments to Rates and Charges.

**VIII. SERVICE CLASSIFICATIONS (continued):****C. SERVICE CLASSIFICATION NO. 1-VMRP(S)****Voluntary Small Residential Service With Multiple Rate Periods (continued):****(Rate Code: 188)**5. Terms of Payment

The Customer shall pay the balance due in cash, including checks and money orders, on receiving the bill. Late Payments shall be subject to Late Payment Charges.

6. Term of Service

The Authority will provide service to the Customer for one (1) year from the start of service and renewed annually after that, unless service is terminated either by the Customer or the Authority.

- a) The Customer shall give the Authority five (5) days written notice before its Anniversary Date when requesting termination of service.
- b) The Authority may terminate service to the Customer in accordance with the provisions of this Tariff.
- c) The Authority will not renew service within one (1) year of termination at the same location for the same customer.

7. Special Provisionsa) Service for Religious Purposes, Community Residences, or Veterans' Organizations

Customers under this Service Classification who use electricity for religious purposes, for Community Residences, or Veterans' Organizations as specified in C.1.a), may apply for a suitable non-residential service after a minimum term of one (1) year.

- (1) The transferring Customer shall submit a new Application to the Authority before the transfer, and
- (2) The transfer will take place at the time of the Customer's next meter reading.

~~b) Reduced Service Charge for Qualifying Low Income Customers~~

- ~~- (1) Customers who provide documentation of enrollment in a qualifying program as listed in Section 1.B. above are deemed to be Qualifying Low Income Customers and are eligible for the Reduced Service Charge and the Reduced Meter Charge.~~

**VIII. SERVICE CLASSIFICATIONS (continued):****C. SERVICE CLASSIFICATION NO. 1-VMRP(S)****Voluntary Small Residential Service With Multiple Rate Periods (continued):****(Rate Code: 188)****Special Provisions (continued):**

~~(2) Eligibility and enrollment must be renewed each year. To the extent that the Authority can automatically determine a Qualifying Low Income Customer's continued eligibility, the customer will not need to re-apply. Qualifying Low Income Customers whose continued eligibility cannot be automatically determined will be notified by the Authority as their enrollments expire. The Authority will allow such customers four (4) months from the expiration of their enrollments (the "Grace Period") to complete the renewal process. During the Grace Period, Qualifying Low Income Customers will continue to receive discounted charges. Qualifying Low Income Customers who do not complete the renewal process within the Grace Period and whose continued eligibility cannot be automatically determined by the Authority will become ineligible for discounted charges until the renewal process is successfully completed.~~

~~(3)(2) Upon enrollment (or, for customers already enrolled as of the effective date of this Leaf, upon renewal), each Qualifying Low Income Customer who is (a) eligible for a Balanced Billing Plan; (b) not already enrolled in a Balanced Billing Plan; and (c) not a participant in the Division of Social Service direct voucher payment program will be notified that the Authority will enroll the customer in a Balanced Billing Plan unless the customer prefers to remain on standard billing. After a reasonable opportunity to decline Balanced Billing has been provided, any such Qualifying Low Income Customer who does not decline will be enrolled in a Balanced Billing Plan.~~

**IX. Long Island Choice Program (continued):****A. General Provisions (continued):**2. Who is Eligible

- a) In order to participate in the Long Island Choice Program, an Eligible Customer is a Customer who is eligible for service under Service Classification Nos. 1, 1-VMRP(L), 1-VMRP(S), 2, 2-VMRP, 2L, 2L-VMRP, or 2-MRP, 5, 7, 7A, 10 and:
  - (1) Receives metered or authorized unmetered electric service from the Authority, and
  - (2) Receives all of their electric requirements from a single supplier except for the output from Solar or Wind Electric Generating Equipment that qualifies for net metering, and
  - (3) Is not explicitly excluded in 2.b), below, and
  - (4) Is licensed by the Authority as a Direct Retail Customer (DRC) or contracts with a licensed Energy Services Company (ESCO) to act as its agent for the scheduling and delivery of Electric Generation Service, and
  - (5) During those phases of the Program where total participation is limited, has been accepted into the Program by the Authority.
- b) Customers who are not eligible to participate in the LI Choice Program are:
  - (1) Customers who receive service under Service Classification Nos. 11, 12 and 13.
  - (2) Customers who sell power to the Authority as Qualifying Facilities or Solar, Farm Waste, Micro-Combined-Heat-and-Power, Fuel Cells and Wind Customer-Generators that do not qualify for net metering.
  - (3) Customers who receive a portion of their electric requirements from self-generation or on-site generation that does not qualify for net metering, and require supplemental, backup or maintenance service from the Authority.
  - (4) Customers who receive service under provisions related to Residential Off-Peak Energy Storage served under Service Classification No. 1.
  - (5) ~~The Authority may in its sole discretion limit participation in Long Island Choice by Qualifying Low Income Customers (defined in Section 1.B above) as needed for consistency with New York state policy as set forth in Orders of the Public Service Commission.~~



125 East Bethpage Road, Plainview, NY 11803  
www.dps.ny.gov/longisland

**John B. Rhodes**  
Chair and  
Chief Executive Officer

**Thomas Congdon**  
Deputy Chair and  
Executive Deputy  
**Paul Agresta**  
General Counsel  
**Kathleen H. Burgess**  
Secretary

July 17, 2018

Sent Electronically and US Mail

Honorable Ralph V. Suozzi, Chairman  
Board of Trustees  
Long Island Power Authority  
333 Earle Ovington Blvd.  
Uniondale, New York 11553

Re: Matter No. 18-01439 - Recommendations Regarding Long Island Power Authority's Proposed Modifications to its Tariff for Electric Service.

Dear Chairman Suozzi:

Enclosed please find the recommendations of the New York State Department of Public Service (DPS or the Department) regarding the Long Island Power Authority's (LIPA or the Authority) proposed modifications to its Tariff for Electric Service (tariff), effective August 1, 2018. The LIPA Reform Act (LRA) authorizes the Department to make recommendations regarding the operations and terms and conditions of service provided by the Authority and its Service Provider. The Department supports the Authority's proposals in accordance with the discussion set forth herein.

The Authority submitted to DPS two proposals for modifying its tariff. The proposals modify the Authority's tariff: (1) to update LIPA's service classifications to offer pilot Time-of-Use (TOU) rates as part of LIPA and PSEG Long Island's (PSEG LI) Utility 2.0 program and (2) to enhance the Authority's low-income customer discount program by introducing a tiered system of low-income discounts consistent with the Public Service Commission's (PSC or Commission) Order in Case 14-M-0565<sup>1</sup>, which calls for benefit levels that vary based on a customer's level of need targeting a total household energy burden of no more than 6% of household income.

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<sup>1</sup> Case 14-M-0565, Low Income Proceeding, Order Adopting Low Income Program Modifications and Directing Utility Filings (issued May 20, 2016).

### “Power to Save” Rate Pilot Program

In its 2017 Utility 2.0 recommendations, the Department recommended that PSEG LI continue to evaluate dynamic pricing and other TOU rates.<sup>2</sup> The Authority’s first proposal modifies the Authority’s tariff to offer a pilot TOU rate classification otherwise known as the “Power to Save” rate, and to modify or close existing TOU rate classifications for new customers.

The Authority’s proposal will modify service classification “16 - Advanced Metering Initiative Pilot Service” (rates M188 and M288) to offer residential and small commercial customers an opportunity to save on their electric bills by shifting their usage and reducing load during peak hours. The objectives of the rate pilot are to test customer participation, customer savings, the effect of the rate on peak load reduction, and other grid benefits.

The proposed rate design associated with the pilot would maintain the existing 5-hour peak period from 2:00 P.M. to 7:00 P.M., on weekdays. The Authority’s proposal will produce a 3-to-1 peak to off-peak price ratio during the summer, and a 1.5-to-1 peak to off-peak price ratio during the winter. LIPA states that the proposed program reflects industry best practices, and surveys of TOU rate designs from other utilities in the State and around the country. These rate modifications are expected to spur participation in TOU rates by offering more advantageous on and off-peak periods which are expected to result in on-peak load reduction. The proposed TOU rate pilot is designed to be revenue neutral. The financial impact on any particular customer who participates in the pilot will depend on the customer’s ability and willingness to reduce usage during the peak period. The pilot rate will be available to all interested residential and small commercial customers who have Advanced Meter Infrastructure (AMI) equipment. The rate pilot is designed also to be part of the Super Saver program and enhance LIPA and PSEG LI’s efforts to support on-peak load reduction.

The Authority proposes additional changes which eliminate the existing experimental time-of-use rates for large commercial customers. LIPA states there has been no new participation in the experimental TOU program among these rate codes in the last five years, and the current window for participation by large commercial customers expires in September 2018. As proposed, the pilot program would close and ultimately end with the current participation window. LIPA also proposes closing the existing residential time-of-use rate codes (rates 181, 182, 184, 188 and 288) to new or transferring customers starting January 1<sup>st</sup>, 2019. Existing customers under these rate codes may participate in the rate pilot upon installation of the required AMI metering equipment.

LIPA’s proposed modifications to its tariff will enable LIPA and PSEG LI to develop innovative rates for Long Island ratepayers based on utility best practices and surveys of time-of-use rates of utilities throughout New York State and the country. They mark continued progress

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<sup>2</sup> Matter No.: 14-01299, In the Matter of PSEG-LI Utility 2.0 Long Range Plan, DPS 2017 Utility 2.0 Annual Update Recommendations (issued December 14, 2017), p. 6.

on the proposals presented as part of PSEG LI's 2017 Utility 2.0 plan. The Department has reviewed the Authority's proposal and found it consistent Commission policy and the practices of other utilities.

### Low Income Discount Modifications

The Authority's second proposal modifies the Authority's tariff to enhance the Authority's low-income customer discount program by introducing a tiered system of low-income discounts that vary based on a customer's level of need, targeting a total household energy burden of no more than 6% of household income.

On September 27, 2017, the Authority's Board of Trustees, consistent with the Department's recommendations on that tariff modification, approved the first step to implement low-income customer discounts, raising existing discounts to \$20 per month for residential customers whose homes are heated with electricity and \$15 per month for those whose homes are heated by other means. The Department's Recommendations in 2017 Regarding Long Island Power Authority's Proposed Modifications to its Tariff for Electric Service, Low Moderate Income Customer Program, which the Board adopted, stated:

LIPA's proposed modifications are an important initial step in expanding low income customer benefits on Long Island that is consistent with Commission policy...The Authority intends to develop and implement the second phase proposal in 2018 to be consistent with Commission low income policy...DPS supports the proposed first phase modifications and looks forward to working with LIPA to ensure full consistency with Commission policy in the second phase proposal in 2018.

Consistent with the Department's recommendations in 2017, the Authority proposes to implement a four-tiered system with escalating discount levels for customers in higher tiers representing greater need. As LIPA states, Tier 1, 2, 3 and 4 discounts will achieve an energy burden of approximately 6.5 % for eligible customers, and by 2020 the amount of the Tier 1-4 discounts will increase to bring customers' energy burden down to 6%.

The Tier 1 discount will be available to any residential customer that participates in at least one qualifying public assistance program, unless the customer qualifies for the Tier 4 discount. The Tier 4 discount is reserved for residential customers enrolled in a Department of Social Services Direct Voucher/Guaranteed Payment program, which represents a higher level of need than the other qualifying assistance programs. Tier 2 and 3 discounts will be available to qualifying customers who receive HEAP add-ons.<sup>3</sup> Eligibility for the low-income customer discounts and the corresponding tier is determined based on the customer's participation in one or more qualifying public assistance programs, which include: Home Energy Assistance Program (HEAP); Medicaid; Supplemental Nutrition Assistance Program (SNAP); Supplemental Security

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<sup>3</sup> The HEAP program offers a standard payment to offset a participant's annual heating costs. The HEAP program will increase this standard payment if the household's gross income is below a set range and/or if the household contains a vulnerable individual (household member who is age 60 or older, under age 6 or permanently disabled). These extra payment(s) are referred to as an add-on(s) to the standard HEAP payment.



Income (SSI); Temporary Assistance – Family Assistance (FA); Temporary Assistance-Safety Net Assistance (SNA); United States Veterans Administration – Veteran’s Pension or Veteran’s Surviving Spouse Pension.

As stated by LIPA, the financial impact of increasing the low-income customer discounts will fluctuate with customer participation. Based on 2018 expected levels of participation (approximately 20,000 non-heat customers and approximately 3,000 heating customers), the incremental impact of increasing the discounts as of August 1<sup>st</sup> is approximately \$2.9 million for the first year. The current estimate of the 2019 impact is an incremental \$1.5 million for a total of approximately \$4.4 million.

The proposed tier discounts are shown in the table below:

<b>Low Income Discount Tiers</b>		<b>Discount per Month \$</b>
Tier 1	Qualifying Low Income Customers or Customers that have received a HEAP benefit.	Non-Heat \$20 Electric Heat \$20
Tier 2	Customers that have received a HEAP benefit plus 1 add-on	Non-Heat \$20 Electric Heat \$40
Tier 3	Customers that have received a HEAP benefit plus 2 add-ons	Non-Heat \$20 Electric Heat \$60
Tier 4	Department of Social Services Direct Voucher/Guaranteed Payment recipients of utility bill payment assistance.	Non-Heat \$42 Electric Heat \$42

4 5

LIPA’s proposal for the second phase of its program, to improve the affordability of its rates and charges for low income customers and expand low income customer benefits on Long Island, demonstrates LIPA and PSEG LI’s continued commitment to align operations with PSC policy adhered to by the State’s Investor Owned Utilities.

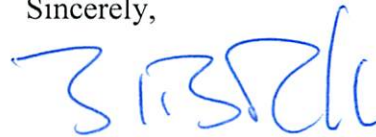
<sup>4</sup> LIPA and PSEG LI Low Income Tiering Tariff Proposal for Board, p. 2.

<sup>5</sup> The future Tier 1 discount to produce an energy burden under 6% is currently estimated at \$28.00, however, this estimate will be updated in 2019 using the latest available information.

July 17, 2018

These modifications comport with the spirit and intent of the LRA to ensure that the Authority and the Service Provider provide safe and adequate service at the lowest level consistent with sound fiscal operating practices, consistent with Commission policy. DPS supports these modifications.

Sincerely,



John Rhodes  
Chief Executive Officer

CC: Thomas Falcone, CEO, LIPA  
Anna Chacko, General Counsel and Secretary, LIPA  
Daniel Eichhorn, President and COO, PSEG Long Island  
Guy Mazza, Director, DPS Long Island

# Super Savers

Load Reduction Program

# Power to Save

Time-based Rate Pilot



**PSEG** LONG  
ISLAND

*We make things work for you.*

# Super Savers Project Overview

- Goal - 4MW reduction
- First full deployment of AMI
- Virtual Community Outreach Challenge
  - 10,500 Customers
  - 95% Residential
  - Bellmore, E. Meadow, Hempstead Village, Merrick, N. Bellmore, N. Merrick, Uniondale, Wantagh

May 2018

Dear [First Name],

PSEG Long Island has upgraded the electric meters in your area to new Smart Meters. What you may not know is what makes these meters so smart:

- Eliminates estimated bills and waiting for a meter reader
- Alerts us about power problems quicker
- Allows you to make better energy decisions with information you've never had before

But, that's just the beginning...

### Welcome to Super Savers

Our exciting new Super Savers program offers enhanced energy and money saving opportunities to about 10,500 residents in an area surrounding an electric facility in your community. The electric system infrastructure in this area is nearing capacity and if current energy use trends continue, it will likely become necessary to construct additional infrastructure within a few years. The idea behind this program is that it's far more cost effective and, frankly, smarter to help you use less energy and save money than to spend money on supplying more power.



### Greater Control

With a whole new look at your energy use, possible only with a Smart Meter, you'll have a better understanding of how to use less and save. We're not talking about drastic changes to your lifestyle; just easy savings solutions. Most Super Savers benefits will be offered to you at no cost and any additional steps will be your choice.

### Let's Get Started...with \$20

It's important to understand energy use in your home now using our online **Home Energy Analyzer**. Go to [myenergy-analyzer.psegliny.com](http://myenergy-analyzer.psegliny.com) and log in with your My Account password to complete the analyzer. It takes just a few minutes. Once completed, you'll receive customized tips and, as a thank you, a **\$20 gift card code** by email (within a couple of business days) for use at our online Efficiency Marketplace. Kick start your savings with energy saving products, including LED bulbs and small appliances.

**Don't Have My Account?**

1. Register at [psegliny.com](http://psegliny.com)
2. Once registered & logged into My Account, enter [myenergy-analyzer.psegliny.com](http://myenergy-analyzer.psegliny.com) in your browser
3. Complete the analyzer.

You'll also receive a customized Home Energy Report in the mail with a more in-depth analysis of your energy use, how it compares to similar homes in your area, along with additional tips and offers. If you have any questions, please call our Energy Infoline at **1-800-692-2626**.

Please review the information enclosed and watch for more information soon. We're excited to help you become a Super Saver!

Sincerely,



Michael Voltz  
Director of Energy Efficiency and Renewables

# Welcome Letter



*PSEG Long Island & YOU —  
A Partnership to Savings!*

# INTRODUCING SUPER SAVERS PROGRAM

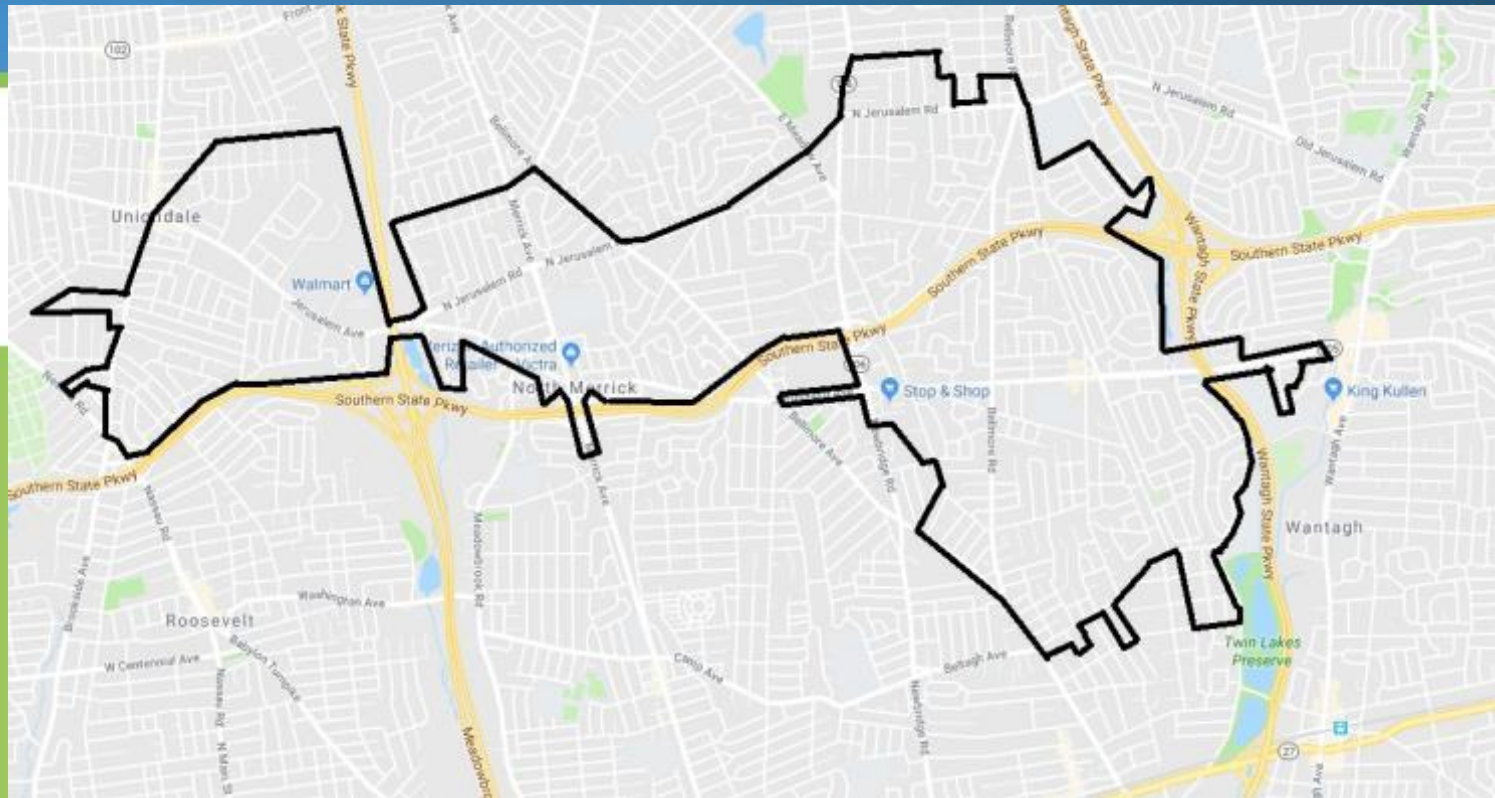
**A BRAND NEW WAY TO SUPERCHARGE YOUR SAVINGS!**



**LOOK FOR MORE EXCITING INFORMATION** in the coming months,  
along with additional tools as they become available.

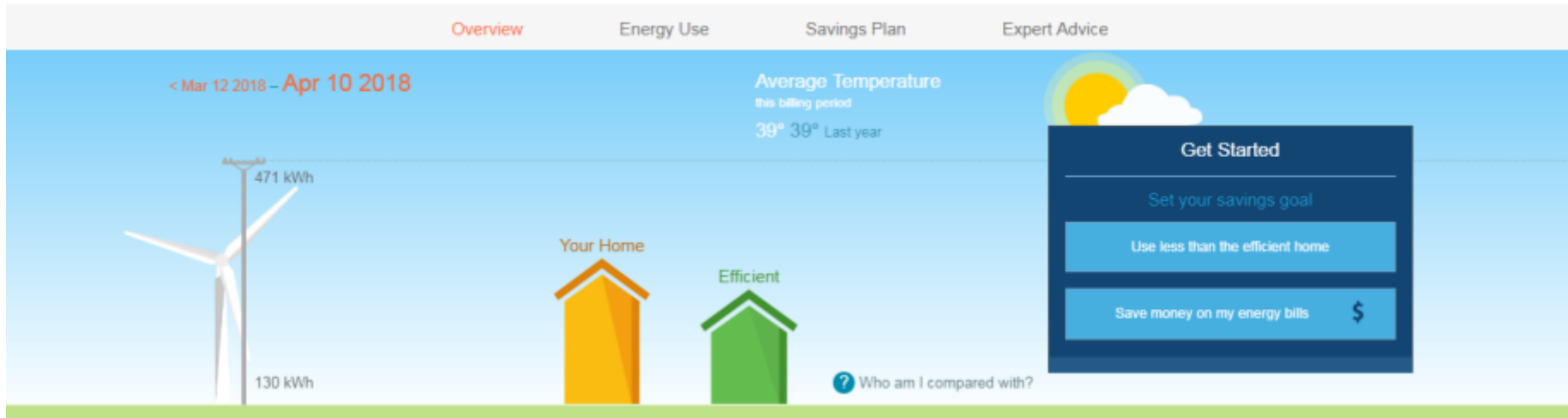
Infograph

# Coverage Area



The Super Savers project covers the area outlined above. This project's footprint covers four (4) electric circuits which are scheduled for upgrade in the coming years to address load constraints. While you are part of the project's footprint some of your neighbors, family or friends might lie outside the targeted circuits. This map is being provided to give you a visual perspective of the streets and areas included.

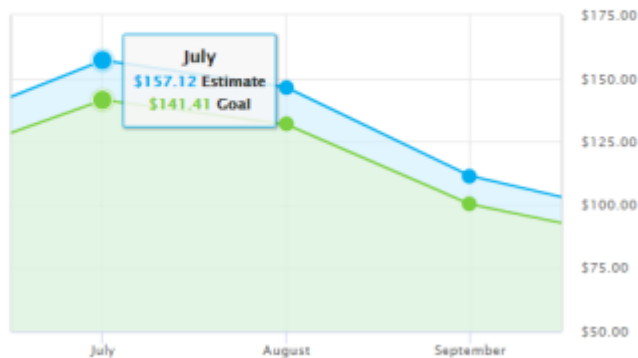
# Home Energy Management



## Looking ahead: Estimated energy use

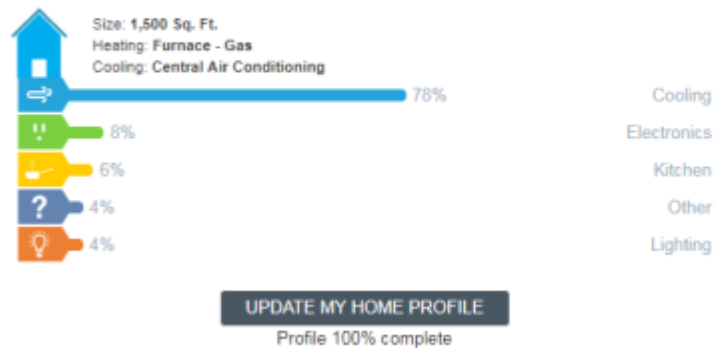
Energy use often changes with the seasons. These estimates for the next three months help you anticipate trends and plan for upcoming energy costs.

How is my estimated use calculated?



## Home Energy Use for July

Learn how your home will use energy next month so you know which savings actions are important this time of year. Choose a category to explore related ways to save.







**PSEG** LONG  
ISLAND

*We make things work for you.*

Call to  
Action

## Home Energy Analyzer Report

Thank you for completing the Energy Efficiency Online Assessment on 06/05/18. We look forward to helping you save energy and money.

This personalized report contains easy, effective, money-saving tips to improve your home's energy efficiency and help control your electric bill. The report uses an estimated forecast of your home's electric usage based on your answers in the assessment and typical weather in our area. Get a whole new look at your electric use and set your savings goals at [myenergy.pesegliny.com](http://myenergy.pesegliny.com)

Questions? call our Energy Efficiency Infoline at 1-800-692-2626 or visit [www.psegliny.com/efficiency](http://www.psegliny.com/efficiency)



123 MAIN ST  
ANYTOWN, NY 11101  
1450 Sq Ft • Built in 1823



**Thank you for completing the  
Home Energy Analyzer**

Enjoy \$20 off our new [Efficiency  
Marketplace](#)

\*|FNAME|\*,

As promised, we're happy to deliver your \$20 gift card code for completing the Home Energy Analyzer.

PSEG Long Island is serious about boosting your energy efficiency and savings. That's why we offer a variety of energy saving products at our new online [Efficiency Marketplace](#). Your savings start with \$20 off any purchase! Simply use the gift card code below at check out.

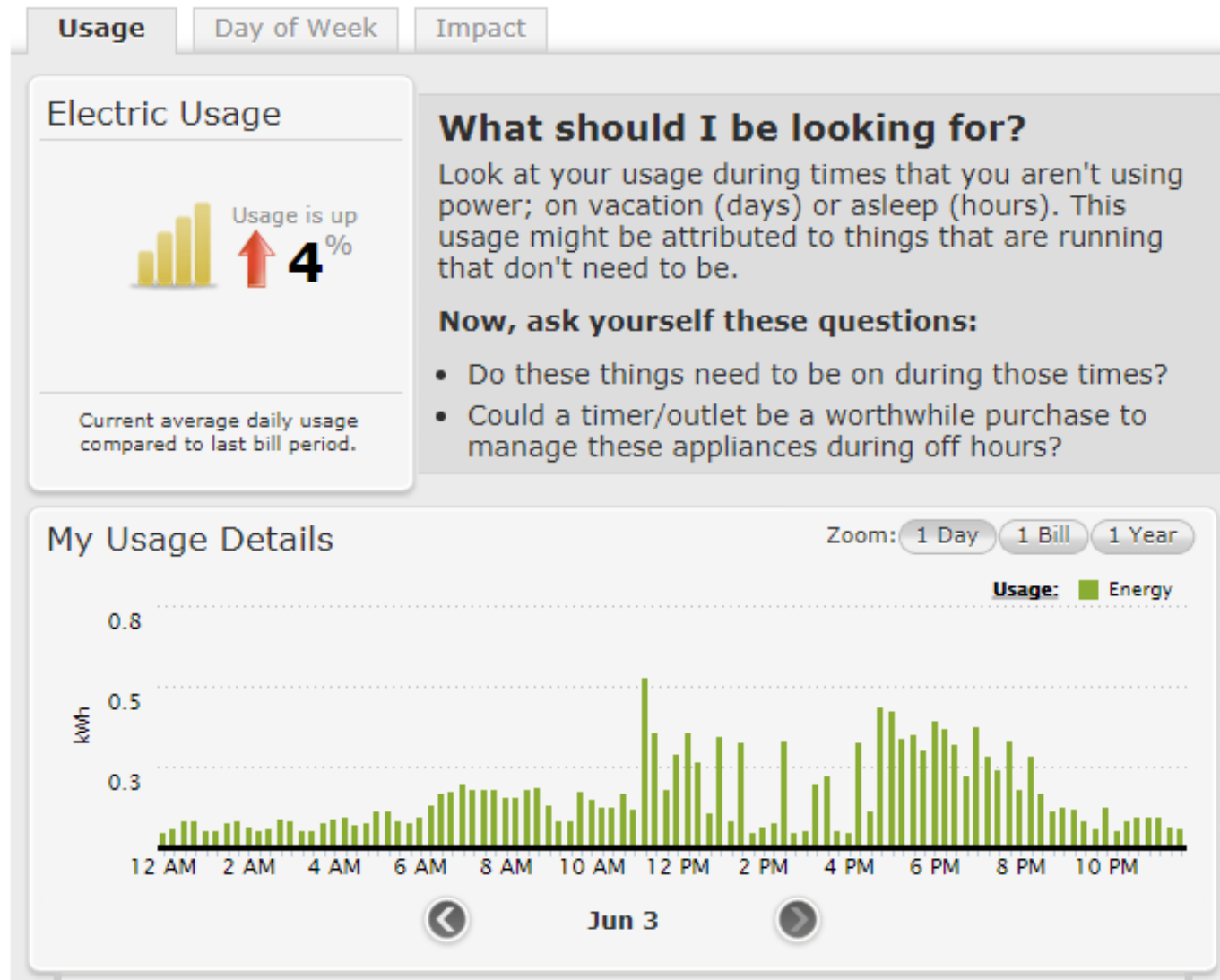
Gift card code: \*|LNAME|\*

Thank you again. We look forward to helping Super Savers like you achieve your energy savings goals.

PSEG Long Island Energy Efficiency Team

# Efficiency Marketplace

# Energy Engage Usage Data



# POWER TO SAVE

A new optional time-of-use rate pilot based on industry best practices

## What are time-of-use rates?

- Higher price during peak periods (2pm-7pm)
- Peak price is higher in summer
- Lower price at other times



# POWER TO SAVE

## How will customers benefit?

- Customers can save money in exchange for efficient usage
- Accurate price signals support new technology
- Customers can take advantage of batteries, solar, and peak-time energy efficiency
- Utility can avoid or defer future investment costs



# POWER TO SAVE

## Design Elements



### Shorter peak period

- Shorter peak periods (2pm-7pm) promote greater customer participation
- Easier for customers to engage and save money



### Moderate peak price ratio

- U.S. Department of Energy studies show a moderate peak price ratio (3:1) is optimal for achieving peak load reduction
- Too high discourages customer sign-ups; too low offers insufficient incentive to shift usage



### Enabling technology

- Research shows that customers are more likely to engage when assisted by technology
- Super Saver participants will have enhanced energy usage data, home energy reports, smart thermostat incentives

# SuperSaver Summary

- 2018 offerings
  - AMI data collection began in May
  - Monthly Home Energy Analyzer reports
  - AMI data provides enhanced reporting and insights
  - \$20 towards online marketplace
  - Free Home Energy Audits
  - \$50 incentive for smart thermostats
  - \$125 incentive for enrollment in Dynamic Load Management tariff
  - Higher EE incentives

# 2019 Expansion

- 2019 will offer greater potential
  - New Meter Data Management platform & capabilities
    - Analytics
    - Rate Modeling
    - Modified Time-of-Use Rates
    - Customer Feedback/Intelligence
    - New Offerings (battery storage, conservation voltage reduction, etc.)