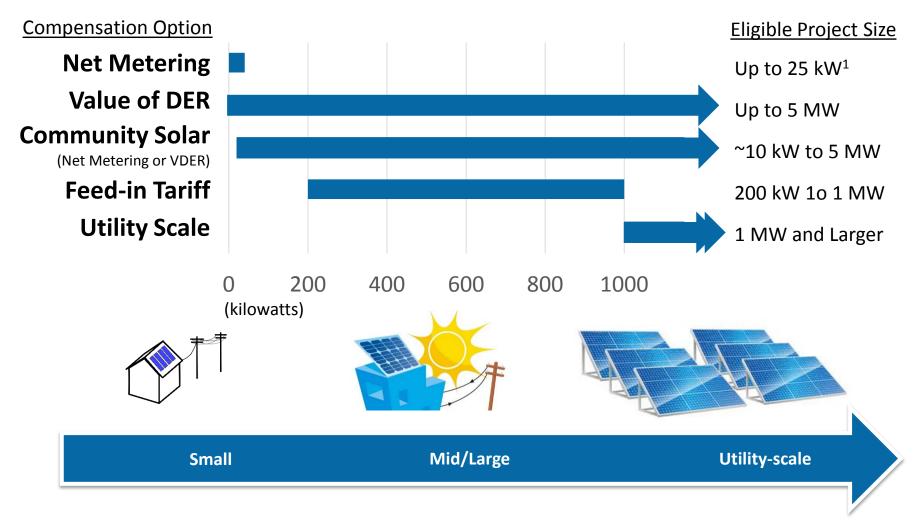
Board Update: Compensation of Distributed Energy Resources

January 23, 2019

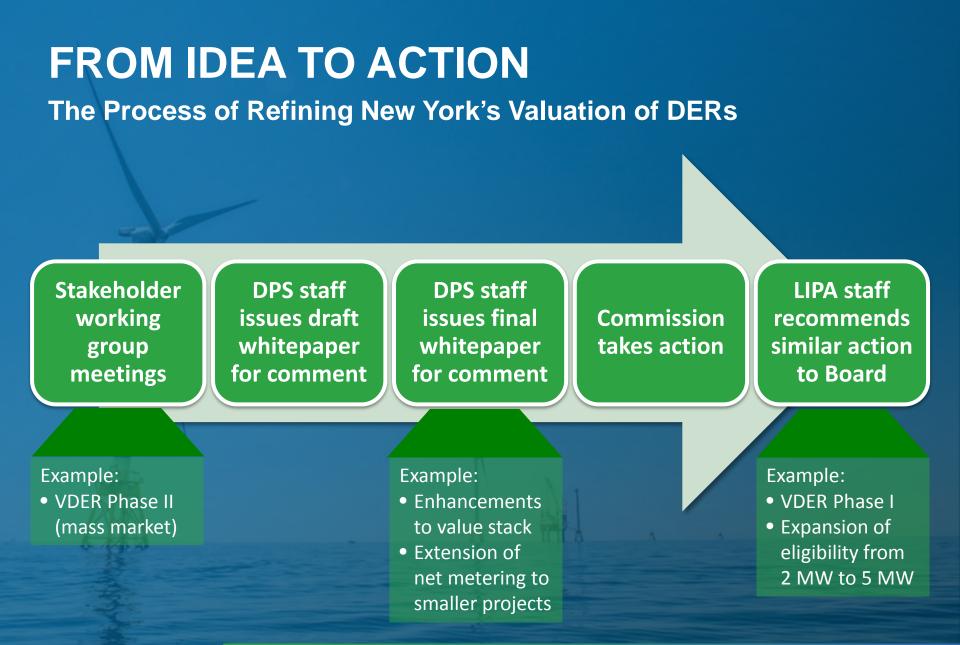


Compensation Options for all Solar Project Sizes



¹ The PSC is considering extending eligibility for net metering to certain systems up to 750 kW.





Improving Value Stack Compensation

Expanding Access

Recent Board Action

 Expanded value stack size limit from 2 megawatts to 5 megawatts

New PSC Order (Oct. 2018)

Expands eligibility to additional technologies, including:

- Standalone energy storage
- Tidal energy generators
- Biomass energy generators (e.g. Anaerobic food waste digesters)

Anticipated Next Steps

- PSEG-LI technical analysis underway
- Board action possible in March 2019



Improving Value Stack Compensation

More Predictable Payoffs

Recent DPS Staff Whitepaper Recommendations

- Simplify and limit volatility of Demand Reduction Value
- Sunset the Location Specific Relief Value (and replace with other compensation mechanisms)
- Allow onsite systems below 750 kW to opt for net metering
- Replace Market Transition Credit with more stable
 Community Credit
- Use market capacity prices

Anticipated Next Steps

- Public comments due Feb. 22
- PSC action in March or April
- Possible Board action in May 2019



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How it works

FOCUS ON: COMMUNITY SOLAR

Long Island Projects

	Number	kW (AC)	Grandfathered or VDER
In commercial operation	5	1418	Grandfathered NEM
Under construction	5	1110	Mix
Application under review	3	2957	VDER
Total	13	5485	

bridgeport Long Island Sound Long Island Sound Hampton Bays Cicksville Cicksv

Long Island projects currently in operation or under construction

THANK YOU

Questions?