

Proposal Concerning Modifications to LIPA's Tariff for Electric Service

Requested Action:

The Long Island Power Authority ("LIPA") staff proposes to modify LIPA's Tariff for Electric Service (the "Tariff") to allow for Community Distributed Generation ("CDG") net crediting, a billing option through which CDG Hosts may allow their CDG Satellites to receive a single consolidated bill from PSEG Long Island.

Background:

On July 17, 2015¹ and October 16, 2015² the New York Public Service Commission ("PSC" or Commission) issued Orders in Case 15-E-0082 setting forth policies, requirements and conditions applicable to the implementation of Community Distributed Generation ("CDG") by New York's investor-owned utilities. The LIPA Board of Trustees approved similar provisions in LIPA's Tariff. The CDG framework involves three main entities: the CDG Host; CDG Satellites; and the utility (here, LIPA and its service provider, PSEG Long Island). A CDG Host is the project sponsor and is responsible for owning or operating the generation facility, coordinating the project's interconnection and operation with the Authority, and supervising and fostering cooperation among the project's Subscribers. CDG Satellites are the project subscribers and will own or contract for a proportion of the credits accumulated at the generation facility's meter, as a percentage of the facility's output in excess of usage on the CDG Host's account. The Authority will be responsible for distributing the credits from the CDG Host's account in accordance with the sponsor's instructions.

On December 12, 2019³, the Commission issued its Order Regarding Consolidated Billing for Community Distributed Generation in Case 19-M-0463 (Net Crediting Order) which established the policies, requirements and conditions to implement Net Crediting. Currently, CDG Satellite customers receive a credit on their electric bill for the renewable energy credits they subscribe for with a CDG Host. The CDG Host separately bills the satellite for their subscription fees. Under CDG Net Crediting, the subscription fees are deducted from the renewable energy credits by the Authority and sent to the CDG sponsor, based on a percentage set by the CDG sponsor.

Proposal:

LIPA Staff is proposing to implement CDG Net Crediting for Value Stack CDG Hosts consistent with the Net Crediting Order and other PSC guidance. This program will allow for CDG satellite accounts to receive one bill from PSEG Long Island which will include their CDG allocated credit, less their CDG Subscription Fee. The Authority will pay the CDG Host their subscription fee less a one percent (1%) administration fee that is retained by the Authority. A full proposal together with a CDG net crediting manual and form agreement will be posted on LIPA's website for review and comment by Friday, October 9, 2020.

¹ Case 15-E-0082, *Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions for Implementing a Community Net Metering Program., Order Establishing a Community Distributed Generation Program and Making Other Findings*; Issued and effective July 17, 2015.

² Case 15-E-0082, *Proceeding on Motion of the Commission as to the Policies, Requirements and Conditions for Implementing a Community Net Metering Program., Order Granting Reconsideration in Part*; Issued and effective July 16, 2015.

³ Case 19-M-0463, *In the Matter of Consolidated Billing for Distributed Energy Resources., Order Regarding Consolidated Billing for Community Distributed Generation*; Issued and effective December 12, 2019.