

FOR CONSIDERATION

August 11, 2021

TO: The Board of Trustees

FROM: Thomas Falcone

SUBJECT: Consideration of the Adoption of Recommendations to Improve the Small Generator Interconnection Procedure

Requested Action

The Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) is requested to adopt a resolution related to certain recommendations to improve the Small Generator Interconnection Procedure (“SGIP”) of PSEG Long Island (the “Small Generator Interconnection Process Recommendations”), which resolution is attached hereto as **Exhibit “A.”**

Background

PSEG Long Island operates and maintains approximately 15,000 miles of transmission and distribution (“T&D”) assets owned by LIPA. In 2021, LIPA hired a third-party consultant to assess PSEG Long Island’s SGIP and review the end-to-end process. The SGIP administered by PSEG Long Island provides a framework for processing applications for interconnection to LIPA’s distribution system for Distributed Energy Resources (“DER”) with an AC nameplate rating of less than 10 MW. LIPA has determined that looking at the strengths and weaknesses of the SGIP processes would help improve customer experience as LIPA progresses toward achieving the goals set forth in the Climate Leadership and Community Protection Act (“CLCPA”). Upon review of the existing SGIP procedures, the third-party consultant recommended seven initiatives to strengthen business innovation. The seven initiatives were intended to benefit LIPA customers by progressing in key outcome areas:

- Industry leading innovator in distributed generation interconnection process
- More efficient process for SGIP
- Reduce timeline for DER cases
- Improve use of technology
- Improve customer/stakeholder/contractor experience

Recommendations

LIPA Staff recommends the Board adopt the following Small Generator Interconnection Process Recommendations based on the third-party consultant findings and LIPA Staff observations:

1. **Independent Review of Escalated Cases:** Currently the PSEG Long Island Interconnection Ombudsperson is the Manager of the interconnection department. PSEG Long Island should ensure an independent review of escalated interconnection cases by changing the organizational placement of the Interconnection Ombudsperson.

2. **Improve Customer Experience:** PSEG Long Island’s SGIP portal currently provides status updates as projects move through the different phases of the SGIP. PSEG Long Island should leverage the portal to provide proactive emails and updates on upcoming activities that require coordination between PSEG Long Island and the customer such as meter installation.
3. **Provide new channels for online payment options:** PSEG Long Island should allow customers to provide payment quicker and eliminate delays associated with mailing a check or checks expiring before they can be cashed.
4. **Evaluate interconnection project cost sharing options:** PSEG Long Island should develop a method to equitably share costs for network upgrades to replace the current process for charging the customer that pushes the capacity over the limit for a circuit. PSEG Long Island should determine a method that is consistent with other New York utilities.
5. **Integrate the Interconnection Online Portal:** PSEG Long Island should advance the integration the interconnection portal with its enterprise systems to improve the system implementation and build an analytics platform to automate the technical screening process.
6. **Leverage AMI technology to monitor system performance:** PSEG Long Island should leverage AMI technology to monitor actual DER production and alert customers if their systems are not performing as expected.
7. **Leverage the PSEG Long Island Interconnection Working Group:** PSEG Long Island should prioritize upgrades or modifications to the SGIP with the developers who are participants of the Interconnection Working Group. The IWG meeting is a collaborative effort bringing the Utility and Developer professionals together to identify technical and procedural improvements to the interconnection process. Many developers work with different utilities across North America and are a channel to identify improvement opportunities that have been successful elsewhere.

PSEG Long Island should prepare Project Implementation Plans (“PIPs”) for each Interconnection Process Recommendation no later than September 17, 2021. The third-party consultant report contains additional detail regarding certain recommendations that should be incorporated into the PIPs. The PIPs will be presented to the Board for its consideration at its November 2021 meeting.

Recommendation

Based upon the foregoing, I recommend approval of the above requested action by adoption of a resolution in the form attached hereto.

Attachments

Exhibit “A” Resolution

**RESOLUTION ADOPTING THE SMALL GENERATOR INTERCONNECTION
PROCESS RECOMMENDATIONS**

WHEREAS, pursuant to Section 4.4(16), Rights and Responsibilities of LIPA, of the Amended and Restated Operations Services Agreement (“OSA”), LIPA, in part, has the right to “make recommendations to the Service Provider, in each case as may be reasonably necessary or appropriate to perform LIPA’s oversight responsibilities and obligations with respect to the provision of Operations Services under this Agreement and as may otherwise be necessary or appropriate to comply with LIPA’s legal, contractual and fiduciary obligations...”; and

WHEREAS, PSEG Long Island hired a third-party consultant to evaluate PSEG Long Island’s Small Generator Interconnection Process and practices and found areas of improvement in PSEG Long Island’s SGIP; and

WHEREAS, LIPA Staff developed Interconnection Process Recommendations based on the third-party consultant’s report and its own observations, as described in the accompanying memorandum; and

WHEREAS, each of the Interconnection Process Recommendations require the development and preparation of a Project Implementation Plan to ensure that the recommendations are acted on in a timely manner.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the Interconnection Process Recommendations; and

BE IT FURTHER RESOLVED, that the Board directs LIPA Staff, together with PSEG Long Island, to implement the Interconnection Process Recommendations, including the creation of Project Implementation Plans for the Board’s consideration at its November 2021 meeting; and

BE IT FURTHER RESOLVED, that the Board directs LIPA Staff, together with PSEG Long Island, to report to the Board on the completion of the Interconnection Process Project Implementation Plans no less than a quarterly until they are completed.

Dated: August 11, 2021