



# 2024 PROPOSED TARIFF CHANGES

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*December 13, 2023*

# TARIFF PROPOSALS FOR CONSIDERATION

- **Small Generator Interconnection Procedures** – applies to generators that are less than 10,000 kW (10 MW)
  - Implements changes approved by the New York State Public Service Commission in April 2023.
  - Requires smart inverters to meet the standards for UL1741.
  - Requires PSEG Long Island to provide an updated upgrade cost estimate within 10 Business Days of completion of design work if the scope of work changed from the Coordinated Electric System Interconnection Review (“CESIR”) estimate.
  - Allows PSEG Long Island to remove the project from the interconnection queue if the applicant does not make a payment or there is no progress in 12 months.
  - **Allows property lessee to sign the Property Owner Consent Form.**
- **Long Island Choice Program** – updates the Community Choice Aggregation (CCA) program requirements to reference the most recent policies and rules consistent with New York State Public Service Commission Orders in Case 14-M-0224
  - Discontinues charges for providing customer data to the CCA administrator.
  - Refines the types of data to be disclosed to a municipality or its designee.
  - Removes the reference to data security screens that are no longer necessary for the new Data Security Agreements.

Consideration  
Postponed

# TARIFF PROPOSALS FOR CONSIDERATION

- **Dynamic Load Management** – for battery storage systems that reduce load or provide supply when called
  - Direct metering allows battery performance to be measured directly from the battery system’s inverter instead of using the complicated and outmoded Customer Base Line (CBL) method.
  - Makes participation more attractive to residential customers and program aggregators.
  - Aligns the program with state-of-the-art technology and the goals of the New York State Climate Act.
  - Includes a provision that sets payments for performance that fall below 25% of the contracted value to zero.
- **Power Supply Charge** – recovers costs associated with participation in the Clean Energy Standard programs
  - NYSERDA purchases renewable energy credits (RECs) and zero emissions credits (ZECs) from eligible generators.
  - All energy distribution companies are expected to reimburse NYSERDA for RECs and ZECs.
  - Financial Backstop Costs for ZECs will be recovered over a period of 12 months.
- **Low-income Discount** - extends eligibility requirements:
  - To match those for natural gas service from National Grid on Long Island and most other electric utilities in the State.
  - New programs include Child Health Plus and the Federal Lifeline Programs.
  - Clarifies that the enrollment and renewal period for the low-income program is 14 months.

# SAPA TIMELINE

**The State Administrative Procedures Act (SAPA) defines the timeline and required steps for making changes to the Tariff**

- ✓ **September 27:** Proposals published for public comment.
- ✓ **November 27:** Public comment sessions were held in Suffolk (in person) and Nassau (in person and virtual access). One commenter participated.
- ✓ **November 30:** Recommendation Letter from the DPS received. DPS supported every proposal with one additional recommendation regarding CCAs.
- ✓ **December 3:** Last day for written public comments. Written comments were received on December 5th.
- ❑ **December 13:** LIPA Board consideration.



# PUBLIC COMMENTS

Comments from NYSEIA and Sunrun:	LIPA Staff Responds:
NYSEIA and Sunrun are generally supportive of the proposed modifications.	No response required.
Load reduction <u>and</u> exports from the energy storage system should be included in performance measurement.	The proposal complicates what is intended to be a simplification of the program. Staff recommends approval of the tariff modification while we work with the solar industry and other stakeholders.
Report the real-time interval data monthly or seasonally.	The Operating Procedures will be updated.
Change the DLM program payments to pay-for-performance and simplify the payment structures for events beyond the four-hour event window.	Separate reservation and performance payments is the statewide structure. Staff recommends that the current structure be maintained until DPS addresses it statewide.
Increasing the pay-for-performance rate to induce greater participation. LIPA pays \$135 per kW-year for 6 events. Programs in Massachusetts pay \$275 per kW-year for 20-30 events.	Payments for demand response need to reflect the cost savings that can be achieved. LIPA staff recommends that the current level of payments be maintained.

# PUBLIC COMMENTS

<b>Comments from Peak Power LI:</b>	<b>LIPA Staff Responds:</b>
<p>Peak Power LI believes the proposed changes align with the Commission regulations and the tariffs of New York’s investor-owned utilities which supports the development of a CCA market on Long Island.</p>	<p>No response required.</p>
<p>Peak Power LI looks forward to seeing these proposed changes take effect in early 2024 and thanks LIPA staff, LIPA senior management and the DPS for recognizing the need for these changes.</p>	<p>No response required.</p>

# DPS RECOMMENDATION LETTER

## • **Small Generator Interconnection Procedures**

Consideration  
Postponed

- “Staff has reviewed the proposal and determined that the proposed change to SGIP will not have a financial impact. Additionally, the proposed changes align with the current revisions made to the SIR following the modifications adopted by the Commission on April 21, 2023.<sup>34</sup> Therefore, Staff recommends adoption of the changes to SGIP as proposed.”

## • **Long Island Choice Program – Community Choice Aggregation (CCA)**

- “DPS Staff has reviewed LIPA’s proposal and determined that it largely brings LIPA’s CCA program into alignment with the CCA program requirements instituted by the Commission.”
- Incorporate DPS Program Rules as updated from time to time.
- Comments reflect Errata Letter issued by DPS on December 6<sup>th</sup>.
- DPS requests an additional tariff change to adopt the DPS Dispute Resolution Procedures that apply to the regulated utilities in the State. LIPA agrees, but this will require a new SAPA filing due to procedural issues.

## • **Dynamic Load Management**

- “Staff concludes that the proposed changes to the performance factor floor will not significantly impact LIPA’s DLM program, and the modifications align with Commission Orders for the New York IOUs. Additionally, Staff recognizes that the proposal for Direct Metering offers a simpler and more accurate alternative for customers than the current CBL approach. Therefore, Staff recommends adoption of both modifications to the DLM tariff as proposed. “

# DPS RECOMMENDATION LETTER

- **Power Supply Charge**
  - “DPS Staff reviewed LIPA’s Tariff proposal and determined that it aligns with the requirements in the Commission’s June 23, 2023 Order.”
  - “LIPA’s participation in the financial backstop collection process is crucial to providing NYSERDA with sufficient funds to compensate qualifying generators, support New York State’s commitment to achieve 70 percent renewable energy by 2030, as well as aligning with both the CES and the Climate Leadership and Community Protection Act (CLCPA) goals. Therefore, DPS Staff recommends LIPA’s proposal be adopted as proposed.”
- **Low-income Discount**
  - “DPS Staff supports the adoption of the proposed modifications to the LMI program as proposed.”
  - “Staff also recommends that LIPA and its Service Provider continue to comply with low-income discount objectives outlined in Case 14-M-0565 and continue to participate in the EAP Working Group to ensure that the target energy burden is set at or below six percent of household income for all low-income households in LIPA’s territory.”
- **Conclusion**
  - “Department Staff has reviewed LIPA’s proposed Tariff modifications and finds the proposed updates consistent with Commission Orders, DPS Staff Whitepapers, and other New York IOU Tariffs. The Department therefore recommends that, in accordance with the foregoing discussion, the Tariff modifications be adopted by the LIPA Board of Trustees.”





**Discussion**

Questions?

## **FOR CONSIDERATION**

December 13, 2023

**TO:** The Board of Trustees  
**FROM:** Thomas Falcone  
**SUBJECT:** Approval of Tariff Changes

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### **Requested Action**

The Trustees are requested to approve the following proposals to modify LIPA's Tariff for Electric Service:

1. **Small Generator Interconnection Procedures ("SGIP") Update:** Modifying LIPA's interconnection procedures to apply Statewide Standard Interconnection Requirement changes adopted by the New York Public Service Commission ("Commission") in its April 2023 Order.
2. **Dynamic Load Management ("DLM") Program:** Modifying the DLM Tariff to increase program participation among residential customers who install behind-the-meter battery energy storage systems and provide zero payment for performance that is 25% or less than the contracted level.
3. **Community Choice Aggregation ("CCA") Program:** Aligning program practice with other CCA program practices in the state and implementing changes consistent with recent Commission policy and rules under Case 14-M-0224.
4. **Low Income Program:** Expanding the eligibility requirements for the low-income program discount and clarifying that the enrollment and renewal period for the low-income program is 14 months.
5. **Zero Emissions Credit ("ZEC") Program Financial Backstop Cost Recovery:** Clarifying that costs associated with New York State's Clean Energy Standard ("CES") ZEC financial backstop collection process will be recovered through the Power Supply Charge.

### **SGIP Update: Background**

On December 22, 2022, members of the statewide Interconnection Policy Working Group and Interconnection Technical Working Group ("IPWG/ITWG") petitioned the Commission to make minor amendments to the Standardized Interconnection Requirements (the "December 2022 Petition").<sup>1</sup> On April 21, 2023, the Commission issued an order adopting the modifications to the current version of the *New York State Standardized Interconnection Requirements and Application Process for New Distributed Generators and Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems* ("Statewide SIR") (the "April 2023

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<sup>1</sup> Case 22-E-0713, *Petition of the IPWG/ITWG Members Seeking Certain Minor Amendments to the New York State Standardized Interconnection Requirements*, dated December 22, 2022.

Order”).<sup>2</sup> Although LIPA is not subject to Commission jurisdiction, adopting the modifications to the statewide SIR will ensure that the latest industry standards and practices are used in LIPA’s SGIP. LIPA Staff believes the proposed changes to the SGIP are fair to customers and developers of DER and support the achievement of LIPA’s vision for clean energy and power supply.

### **SGIP Update: Proposed Action**

Consistent with the April 2023 Order, LIPA Staff proposes three substantive modifications to the SGIP. The proposed changes are as follows:

- **UL 1741 Supplement B (“UL 1741 SB”)**: The proposed changes add reference to UL 1741 SB. As stated on page 4 of the April 2023 Order, they are:  
*...driven by recent updates to the IEEE 1547 standards for smart inverter functionality and the associated testing certification of those smart inverters through UL 1741. The amendments will ensure that all smart inverters installed in New York under the SIR process are tested and certified to the latest industry standards and practices.”*
- **Cost Estimates**: The proposed changes add language that requires LIPA’s service provider, PSEG Long Island, to provide the applicant an updated cost estimate within ten (10) Business Days from the completion of design work if the scope of work has changed from the Coordinated Electric System Interconnection Review (“CESIR”) estimate. In addition, added language stipulates a process for removal from the interconnection queue if a timely deposit payment is not made or if the applicant does not complete a timely final acceptance.
- **Property Owner Definition**: LIPA Staff proposes changes to Appendix H, Property Owner Consent Form and Appendix H-1, Site Control Certification Form of the SGIP to clarify that when the landowner is different from the building owner, the lessee of the property may sign these forms so long as the lessee demonstrates to the Utility’s satisfaction that the lease permits installation of the proposed facilities.

LIPA Staff also proposes various minor changes to the SGIP to further conform the SGIP to the Statewide SIR, as shown in the attached redline.

### **SGIP Update: Financial Impact**

This tariff proposal will not have a material financial impact on LIPA or its customers.

### **SGIP Update: Stakeholder and DPS Comments**

Two public comment sessions were held on the Tariff proposals and written comments were also solicited from interested stakeholders. No comments were received from the public on the SGIP

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<sup>2</sup> Case 22-E-0713, *Petition of the IPWG/ITWG Members Seeking Certain Minor Amendments to the New York State Standardized Interconnection Requirements, Order Modifying Standardized Interconnection Requirements*, Issued and Effective April 21, 2023.

Update proposal.

## Consideration

The Department of Public Service (“DPS”) recommended adoption of the changes to the SGIP as proposed and agreed with LIPA Staff that LIPA’s SGIP proposal (1) would not have a financial impact and (2) are aligned with the current revisions made to the SIR following the modifications adopted by the Commission on April 21, 2023.

## Postponed

### **DLM Program: Background**

DLM programs provide the tools and technologies needed to control and manage energy usage in real-time. By temporarily reducing non-essential energy usage, they can reduce the burden on the electricity grid, prevent outages, and improve system reliability during peak demand periods.

DLM programs are a critical tool in Demand Response (“DR”) programs as they may help reduce the burden on the electricity grid, improve energy efficiency and reduce greenhouse gas emissions, as they provide a financial incentive for program participants to lower their electricity consumption when the electric demand is peaking and requires the heavy use of fossil fuel generation.

Battery storage is becoming increasingly important in DR and DLM programs because it allows energy to be stored during times of low demand which can subsequently be used to balance the grid during times of high demand. This not only helps to reduce peak electricity demand, alleviate stress on the grid, and minimize the need to replace infrastructure, but it also enables utilities to more efficiently manage and balance the intermittent supply of renewable energy sources, which are less predictable and variable.

On April 21, 2023, the Commission issued an *Order Directing Dynamic Load Management Program*,<sup>3</sup> instructing the utilities under its jurisdiction to set the performance factor to zero when the calculated results are less than or equal to twenty-five (25) percent.

### **DLM Program: Proposed Action**

LIPA Staff proposes to modify the DLM Tariff to increase program participation among residential customers who install behind-the-meter battery energy storage systems. Third party Aggregators would enroll residential customers with behind-the-meter energy storage equipment and arrange for metering and communications protocols that enable the Aggregator to measure the performance of the individual residential energy storage systems during load reduction events and electronically report that performance to LIPA.

LIPA Staff also proposes to make a change to the measurement of the Performance Factor consistent with the Commission’s *Order Directing Dynamic Load Management Program Changes* issued on April 21, 2023, in Case 14-E-0423 (“2023 DLM Order”) that will set the performance factor to zero if the actual calculation of the performance is less than or equal to twenty-five (25) percent.

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<sup>3</sup> Case 14-E-0423, Proceeding on Motion of the Commission to Develop Dynamic Load Management Programs, Order Directing Dynamic Load Management Program Changes (issued April 21, 2023) (the “Order”).

## **LIPA's DLM Program Overview**

Section XIII of LIPA's Tariff titled "Dynamic Load Management" ("DLM Tariff") establishes three DLM programs that provide for direct load control, customer-initiated reductions in load when critical periods are identified in advance, and contingency load relief for unforeseen events. The Direct Load Control Program is not affected by the proposed tariff change and is mentioned for information only.

### **Direct Load Control Program ("DLCP")**

The DLCP pays customers to install devices that allow LIPA to turn off or limit the use of selected end uses, such as air conditioners and pool pumps. The customer brings their own thermostat, meaning the customer finds a Control Device Provider that provides and installs the control device which is usually connected to the home's thermostat. Consistent with the Commission's Reforming the Energy Vision proceeding,<sup>4</sup> the role of the utility is limited to: (1) identifying Control Device Providers that offer equipment that can communicate with the utility's control system; (2) choosing when and where to control customer's load; and (3) making payments to the customer for the ability to control their load. In practice, Control Device Providers are expected to actively promote the program and sign-up customers. The program is called upon in the summer months (June through September) when peak conditions are anticipated, but load can be controlled at any time capacity shortages occur. The payments are structured as a one-time upfront payment and annual recurring payments for continued participation beginning in the second year of participation, guaranteed for five years.<sup>5</sup>

### **Commercial System Relief Program ("CSR")**

The CSR creates the opportunity for market participants to identify and implement load relief measures that would be called upon in anticipation of peak system loads, thereby reducing the need to expand or reinforce the transmission and distribution system. The program offers a number of features to both directly participating customers as well as customers participating through Aggregators, who assemble and coordinate a pool of customers that combine their resources to meet the performance standards of the program: (1) monthly reservation payments per kW for commitments to reduce load on 21 hours' notice; (2) performance payments for each kWh of energy curtailed during a called event lasting up to 4 hours; (3) bonus payments for each kWh of energy curtailed beyond the 4 hour limit of the performance payment; (4) locational premiums to the extent that specific areas of the distribution system that would benefit from this type of load relief are identified.<sup>6</sup> There is also a voluntary option that allows customers to participate without commitment; these customers would not receive the reservation payment, only the performance payment based on actual performance.

### **Distribution Load Relief Program ("DLRP")**

The DLRP enables market participants to identify and implement load relief measures that would be called upon to address reliability problems as they occur at specific locations along the transmission and distribution system. The program offers a number of features to both directly participating customers as well as customers who participate through Aggregators, who assemble and coordinate a pool of customers that combine their resources to meet the performance standards

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<sup>4</sup> See generally Case No. 14-M-0101.

<sup>5</sup> See LIPA Statement No. 5 DLCP <https://www.lipower.org/about-us/tariff/>

<sup>6</sup> See LIPA Statement No. 3-CSR <https://www.lipower.org/about-us/tariff/>

of the program: (1) monthly reservation payments per kW for commitments to reduce load on two hours' notice; (2) performance payments for each kWh of energy curtailed during a called event lasting up to 4 hours; (3) additional payments for each kWh of energy curtailed beyond the 4 hour limit of the performance payment (at the same rate as the first four hours); and (4) locational premiums in the future, to the extent that specific areas of the distribution system that would particularly benefit from this type of load relief are identified.<sup>7</sup> There is also a voluntary option that allows customers to participate without commitment; these customers would not receive the reservation payment, only the performance payment based on actual performance.

### ***Direct Metering***

Direct metering of the energy storage system output will be used to verify the actual Load Relief provided (kW and kWh) by the customer's energy storage system during each hour of each designated Load Relief Period and Test Event at the Aggregator's option.

Data recorded via direct metering of the energy storage system during each designated Load Relief event will be captured and communicated by the authorized third-party Aggregator and used by LIPA to evaluate performance and compensation. Measurement and communications will be accomplished through API<sup>8</sup> agreements between the vendor and the energy storage system's Aggregator/original equipment manufacturer ("OEM"). Secure data will be transmitted in real-time to the Aggregator directly from the energy storage system inverter. Inverter metering will be of utility specifications that will be provided in the DLM Program Guidelines and Operating Procedures<sup>9</sup>.

Direct metering will be a substitute for the currently approved Customer Base Line ("CBL") approach that will continue to apply to customers without energy storage systems or the appropriate measurement and communications capabilities. The CBL approach measures performance during load reduction events by comparing the customer's energy usage during the hours of the called event to the energy used during a recent 5- or 10-day period<sup>10</sup> preceding the called event. The intent of the CBL method is to determine how much the customer's behavior changed during the called event. The calculated change in behavior (usage during the event minus usage on similar non-event days) is deemed to be the amount of load reduction the customer provided to the system. The CBL methodology is affected by any number of factors that may be occurring at the customer's location on the days preceding the load reduction event and is dependent on the selection of days that constitute the "typical" energy use of the customer. All these factors cause the results of the CBL methodology to be highly unpredictable.

Direct metering avoids all these issues and associated volatility in results as it relies upon an exact measurement of the performance of the energy storage system on exactly those hours of the called event.

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<sup>7</sup> See LIPA Statement No. 3-DLRP <https://www.lipower.org/about-us/tariff/>

<sup>8</sup> Application Program Interface of the Monitoring Portal ("API")

<sup>9</sup> DLM Program Guidelines and Operational Procedures, <https://www.psegliny.com/businessandcontractorservices/businessandcommercialsavings/-/media/F9B52424E0FF48FBBD8AC4E336EDBE24.ashx>

<sup>10</sup> The customer chooses in advance which measurement period to use.

## ***Eligibility***

Residential rate code customers and residential Time-of-Day (“TOD”) rate code customers are eligible to participate through an approved Aggregator that will aggregate at least 50 kW of load relief. Both stand-alone energy storage systems and systems paired with eligible Net Energy Metering Technology will be eligible. Customers enrolled in the Direct Load Control (Smart Savers) program will not be eligible to participate in the new direct metering alternative.

## ***Benefits***

The proposed modifications to the existing Battery Energy Storage System Demand Response Program responds to the concerns of various stakeholders, including solar developers, regarding their perceived program barriers, including:

- Uncertainty in compensation. Specifically, concerns that behavioral impacts are outside of the control of the Aggregator (measured at the meter, not inverter), thereby creating price uncertainty.
- The 10-day weather-adjusted CBL methodology is confusing to customers.
- Human resources needed at the Aggregator/OEM to operate the program.
- Direct metering prevents other customer load changes, including through onsite solar generation, from impacting the measurement and verification of the energy storage system.
- The Performance Factor calculation update will align LIPA’s DLM practice with other utilities in the State, and the changes will have minimum impact LIPA’s DLM program operations.

## **DLM Program: Financial Impact**

Solar installers have informed LIPA Staff that most customers want the battery to provide back-up services in the event of a power outage. These are the customers targeted by the proposed tariff change since under the proposal, for all but a few hours a year<sup>11</sup>, a customer’s battery will be available as back-up, yet the customer can potentially receive the DLM payments authorized for their participation. The proposal won’t change the expected compensation received by participants on average but will encourage greater participation by reducing the uncertainty regarding the calculated savings for each participant. The financial impact of those payments on LIPA’s other customers is offset by the costs avoided by LIPA in obtaining additional power supplies and building additional grid capacity to meet the extremely high loads in the relatively few hours that are targeted by the demand response programs. LIPA Staff estimates the DLM payments to participants with energy storage to be \$135 per year for a 5 kW storage system. The estimated avoided costs for 5 kW of demand reduction are approximately \$400.

Residential customers with energy storage that are participating in LIPA’s recently authorized TOD rates are also allowed to participate in the demand response programs as direct metered customers. Such customers have the opportunity to use their energy storage system to reduce their peak energy requirements from LIPA by storing less expensive off-peak energy or behind-the-meter solar output and using it to meet their on-peak energy requirements. This approach to energy

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<sup>11</sup> 4 hours per event times 4 to 6 event days over five months in the summer (from May 1 through September 30).

management by customers that can install behind-the-meter storage systems likewise reduces LIPA's obligation to provide energy in the most expensive peak hours of the year and benefits all customers by reducing expenditures on peaking resources and grid enhancements to meet peak load requirements. LIPA Staff estimates that a residential customer with a 5 kW storage system could reduce their electric bill by as much as \$450 per year by storing their solar generation before 3 PM on weekdays and releasing the energy during the on-peak hours from 3-7 PM. Combining the TOD arbitrage bill savings and the \$135 in annual DLM payments produces participant benefits of \$585 per year and reduces costs by \$400 in avoided transmission and distribution costs and market supply costs of \$245 for a net benefit to other ratepayers of \$60 per participant per year.

### **DLM Program: Stakeholder and DPS Comments**

Two public comment sessions were held on the Tariff proposals and written comments were also solicited from interested stakeholders. Comments submitted jointly by the New York Solar Energy Industries Association ("NYSEIA") and Sunrun Inc. ("Sunrun") were received on the DLM Program proposal.

"NYSEIA and Sunrun are generally supportive of the proposed modifications; however, additional adjustments to the DLM tariffs are necessary to generate customer interest in acquiring battery storage in the first instance, and ultimately attracting customers to enroll in the programs."

The additional adjustments and clarifications requested by NYSEIA and Sunrun are:

1. That performance measure be clarified to include both load reduction and exports from the energy storage system, as measured at the device.
  - o LIPA Staff Response: Staff understands the clarification request from NYSEIA and Sunrun. Upon approval of the DLM program proposal, qualifying participants will be able to either continue utilizing the existing CBL methodology or switch to the proposed direct metering methodology that simply calculates a participant's overall performance based only on exports from the customer's energy storage system. Direct metering method can't be used for measuring load reduction that traditionally relies on the CBL methodology. Measuring a single participant's program performance with a combination of two completely different methodologies, direct metering and CBL, complicates what is intended to be a simplification of the program and would require further examination of how the information available from the inverter and the revenue meter could be separately determined. To ensure clear understanding of all stakeholders, Staff makes several small clarifying edits to the originally proposed DLM tariff modification and recommends that the Board approve the tariff modification as amended while Staff continues its work with the solar industry and other stakeholders for further success of the DLM program.
2. Reporting of the real-time interval data from the inverter occur on a monthly or seasonal basis to verify performance for payment settlement purposes.
  - o LIPA Staff Response: Staff understands the clarification the commenters are requesting and agrees to modify the Program Guidelines and Operational Procedures to indicate that data must be provided by the aggregator monthly.
3. Changing the DLM program payments into a simple \$/kW pay-for-performance structure



and simplifying the \$/kW and \$/kWh payment structures for the locational dispatch and load reduction beyond the four-hour event window by aligning it with the performance-based \$/kW structure.

- LIPA Staff Response: Separate payments for the offer to provide load reductions (reservation payments) and subsequently providing the reductions when called (performance payments) is the structure adopted statewide following a collaborative process among all stakeholders organized through the DPS. Staff recommends that the current structure be maintained and that the comments be shared with the DPS for future consideration.
4. Increasing the resulting \$/kW pay-for-performance rate.
- LIPA Staff Response: Payments for demand response need to reflect the cost savings that can be achieved by the utility. Staff understands that higher payments will induce greater participation, but the proposed payment rates need to reflect a balance between attracting more behind-the-meter energy storage onto the system and the benefits that our customers will receive. LIPA staff recommends that the current level of payments be maintained.

The DPS recommended adoption of the modifications to the DLM tariff as proposed and recognizes that LIPA’s proposal for Direct Metering offers a simpler and more accurate alternative for customers than the current CBL approach.

### **CCA Program: Background**

On April 21, 2016, the Commission issued an Order Authorizing Framework for Community Choice Aggregation (“CCA”) Opt-Out Program, known as the CCA Framework Order.<sup>12</sup> On August 26, 2019, the DPS issued the CCA Guidance Document “to assist and inform CCA administrators, participating utilities, Energy Service Companies (“ESCOs”), Distributed Energy Resource (“DER”) developers, and other stakeholders on the existing rules and regulations of New York State’s CCA program.”<sup>13</sup>

Several municipalities within LIPA’s service territory have expressed interest in exploring the adoption of CCA within their communities.<sup>14</sup> In response to the interest in CCA, LIPA’s Board of Trustees adopted a Tariff amendment that established a CCA program on Long Island effective June 1, 2020, in alignment with the requirements of the Commission’s CCA Framework Order and the 2019 DPS Guidance Document.

On April 14, 2021, DPS Staff filed the CCA Whitepaper<sup>15</sup>, which described the status of the State’s CCA programs, detailing successes, and challenges, and recommending program improvements. Identified improvements include standardization of CCA program filing requirements,

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<sup>12</sup> Case 14-M-0224, Community Choice Aggregation, Order Authorizing Framework for Community Choice Aggregation Opt-Out Program (issued April 21, 2016) (CCA Framework Order).

<sup>13</sup> Case 14-M-224, Community Choice Aggregation, CCA Guidance Document (issued August 26, 2019) (DPS Guidance Document).

<sup>14</sup> Mark Harrington, *Brookhaven wants to be able [to] seek cheaper supplier of Electricity*, NEWSDAY, December 11, 2019. <https://www.newsday.com/long-island/suffolk/lipa-brookhaven-1.39450624>.

<sup>15</sup> Case 14-M-0224, Department of Public Service Staff Whitepaper on Community Choice Aggregation Programs, dated April 14, 2021.

streamlining of the filing process, modification of existing requirements, and adoption of additional requirements.

On November 18, 2021, the Commission issued its Order Denying Rehearing, Providing Clarification and Confirming Tariff Modifications in Case 20-M-0082 which, in relevant part, directed the regulated utilities to modify their respective tariffs to remove fees associated with the release of customer data, except for cost-based fees associated with request for historical energy usage data in excess of 24 months.

On March 21, 2022, Section 74-b of the New York State Public Service Law (“PSL”) became effective which established CCA programs in Long Island (the “Long Island CCA Statute”). Specifically, PSL § 74-b required, in relevant part, that by no later than January 1, 2022, the Commission, in consultation with the New York State Energy Research and Development Authority and the Authority, establish “by order, rules, and regulations a Long Island community choice aggregation program.”<sup>16</sup>

On January 19, 2023, the Commission adopted the CCA Whitepaper recommendations with modifications (the “CCA Modification Order”). The CCA Modification Order, in relevant part, directed DPS to update the 2019 DPS Guidance Document. DPS accordingly issued its Community Choice Aggregation Program Rules on March 20, 2023.

This proposal seeks to modify the Tariff to implement changes to LIPA’s Long Island Choice Program consistent with similar changes made by other utilities in New York State and recent Public Service Commission orders and rules adopted under Case 14-M-0224.

### **CCA Program: Proposed Action**

The proposed amendments to the CCA program and the associated tariff leaves will:

- (1) discontinue customer data charges;
- (2) remove reference to data security screens that are no longer necessary since the inception of new CCA Data Security Agreements;
- (3) refine the types of data to be disclosed to a municipality or its designee; and
- (4) reference the Department of Public Service’s Community Choice Aggregation Program Rules issued March 20, 2023.

### **CCA Program: Financial Impact**

There are no expected revenue impacts for LIPA, since the reductions in revenue from the variable component of the Power Supply Charge will be directly offset by the reduction of variable expenses of procuring power supply. Delivery revenues and revenues received based on fixed

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<sup>16</sup> The New York State Public Authorities Law was also amended to refer to the new Long Island CCA Statute. *See* N.Y. Pub. Auth. Law § 1020-s(1)(f) (West).

Power Supply expenses are collected from all customers that participate in the CCA. There are also no expected revenue impacts for discontinuing customer data charges.

### **CCA Program: Stakeholder and DPS Comments**

Two public comment sessions were held on the Tariff proposals and written comments were also solicited from interested stakeholders. Peak Power LI believes the proposed changes align with the Commission regulations and the tariffs of New York’s investor-owned utilities that support the development of a CCA market on Long Island. Peak Power LI looks forward to seeing these proposed changes take effect in early 2024 and thanks LIPA staff, LIPA senior management, and the DPS for recognizing the need for these changes.

The DPS Staff reviewed LIPA’s proposal and determined that it largely brought the CCA program into alignment with the CCA program requirements instituted by the Commission. DPS highlights that LIPA’s proposal outlines a dispute resolution process that differs from the rest of the IOUs. DPS recommends two things: (1) to align LIPA’s tariff with changes made by other utilities in New York State that conform to recent Public Service Commission Orders and program rules adopted under Case 14-M-0224; and (2) to make changes to LIPA’s proposed dispute resolution process.

The DPS recommends revising Leaf 297B, subsection 2.b, to further align LIPA’s CCA program with the Commission’s requirements. In Section 2.b entitled “Rules and Governance”, Staff recommends that the tariff be revised so that “LIPA, municipalities participating in the CCA, and CCA administrators will follow the Public Service Commission’s Community Choice Aggregation Orders (e.g., 14-M-0224) and Program Rules, as added and further amended from time to time,” and recommend that LIPA remove specific reference to March 2023 as a date certain and instead reference the program rules to structure the Tariff provision to maintain consistency with the Department’s rules on an ongoing basis to foster greater alignment with the Department’s CCA program rules.

**LIPA Staff Response:** LIPA staff recommends that the Trustees accept the Department’s recommendation to revise Leaf 297B, subsection 2.b, to further align LIPA’s CCA program with the Commission’s requirements. In response to this recommendation, LIPA staff proposes to modify subsection 2.b to read “LIPA, municipalities participating in the CCA, and CCA administrators will follow the Community Choice Aggregation Program Rules issued by the DPS.”

On December 6, 2023, staff counsel issued an errata letter to supplement its November 30, 2023 recommendations concerning tariff provisions governing dispute resolution (“November Recommendation Letter”). In its November Recommendation Letter, the Department referenced a dispute resolution process that was not included in LIPA’s original proposal. The November Recommendation Letter states that the Department recommends that LIPA adopt a dispute resolution process as part of these tariff modifications which should follow LIPA’s dispute resolution process contained in its Uniform Business Practices for Electric Energy Service Companies.

**LIPA Staff Response:** In response to this recommendation, LIPA staff proposes the following dispute resolution process be included on Leaf 297B, subsection 2.d. This language mirrors the dispute resolution process for ESCOs under the Long Island Choice program, as recommended by DPS. LIPA staff's proposal is subject to the rulemaking process under SAPA section 2202 (4-a), which will include the issuance of a revised notice of proposed rulemaking to allow for public comment on the new dispute resolution language.

The proposed dispute resolution process for disputes between LIPA and the CCA Administrators and/or Energy Service Entities ("ESEs") is as follows:

- (1) Standard Process. The parties shall use a method to send documents described in this paragraph that will verify the date of receipt. Any CCA Administrator, ESE or the Manager may initiate a formal dispute resolution process by providing written notice to the opposing party and New York State Department of Public Service Staff. Such notice shall include a statement that the CCA dispute resolution process is initiated, a description of the dispute, and a proposed resolution with supporting rationale. The Department of Public Service Staff may participate in the process at this or any later point to facilitate the parties' discussions and to assist the parties in reaching a mutually acceptable resolution.
  - (a) No later than ten calendar days following receipt of the dispute description, if no mutually acceptable resolution is reached, the opposing party shall provide a written response containing an alternative proposal for resolution with supporting rationale and send a copy to Department of Public Service Staff.
  - (b) No later than ten days after receipt of the response, if no mutually acceptable resolution is reached, any party or Department of Public Service Staff may request that the parties schedule a meeting for further discussions. The parties shall meet no later than 15 calendar days following such request, upon advance notice to Department of Public Service Staff, unless the parties and Department of Public Service Staff agree upon another date.
  - (c) If no mutually acceptable resolution is reached within 40 calendar days after receipt of the written description of the dispute, any party may request an initial decision from the Department of Public Service. A party to the dispute may appeal the initial decision to the Authority's Chief Executive Officer.
  - (d) If the parties reach a mutually acceptable resolution of the dispute, they shall provide to Department Staff a description of the general terms of the resolution.
- (2) Expedited Process: In the event that an emergency situation arises to justify immediate resolution of a dispute, any party may file a formal dispute resolution request with the Secretary to the Public Service Commission asking for expedited resolution. An emergency situation includes, but is not limited to, a threat to public safety or system reliability or a significant financial risk to the parties or the public. The filing party shall provide a copy of the request to other involved parties and the Department Staff designated to receive

information related to dispute resolution under this Section. The request shall describe in detail the emergency situation requiring expedited resolution, state in detail the facts of the dispute, and, to the extent known, set forth the positions of the parties.

### **Low Income Program: Background**

In January 2015, the Commission initiated a 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 such programs to reflect best practices. The Commission directed Staff of the Department of Public Service (“DPS Staff”) to conduct an examination of the utility low-income programs to identify best practices, evaluate the effectiveness of the current program designs, and develop recommendations for improvements.<sup>17</sup>

The Commission subsequently issued an order on May 16, 2016 directing the regulated major gas and electric utilities to make certain changes to their respective low-income programs.<sup>18</sup> Specifically, the May 2016 Order discussed utility best practices for energy affordability and adopted a policy that “an energy burden at or below 6% of a household income shall be the target level for all 2.3 million low-income households in New York”.<sup>19</sup> In response to the May 2016 Order, the regulated utilities implemented increases to their low-income customer discounts and have implemented tiered<sup>20</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, LIPA’s Board of Trustees approved the first step in a plan to gradually implement low-income customer discounts consistent with the May 2016 Order, raising its 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. LIPA indicated at the time that it intended to begin offering tiered discounts in 2018.

In the fourth quarter of 2017, LIPA also made operational improvements to its low-income program: (1) allowing four additional months from the enrollment expiration date for customers to complete re-enrollment to prevent disruptions of the monthly receipt of discounts and to avoid unnecessary program enrollment changes; (2) enrolling low-income customers in a Balanced Billing Plan by default unless they 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 they would pay to a utility<sup>21</sup>; and (4) increasing participation in the low-income program through enhanced outreach efforts.

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<sup>17</sup> Case 14-M-0565, Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers

<sup>18</sup> Case 14-M-0565, Order Adopting Low Income Program Modifications and Directing Utility Filings, (May 20, 2016) (“May 2016 Order”).

<sup>19</sup> *Id.* at 3

<sup>20</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>21</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 (Albany Cnty. Sup. Ct. June

On August 12, 2021, the Commission issued its Order Adopting Energy Affordability Policy (“EAP”) Modifications and Directing Utility Filings<sup>22</sup> (“August 2021 Order”), to adopt certain improvements to the statewide utility bill discount programs and directed DPS Staff to convene a stakeholder EAP Working Group to consider ways to improve the EAP.

The August 2021 Order directed certain investigations to inform the EAP Working Group, including whether a minimum bill amount should be established as part of a discount calculation methodology. Additionally, the Commission ordered utilities to expand low-income program eligibility to include the Federal Lifeline program. In response to the August 2021 Order, the Joint Utilities filed tariff amendments to add the Federal Lifeline and related programs to the list of qualifying public assistance programs for low-income program eligibility. On October 13, 2022, the Commission issued an Order authorizing these tariff amendments to become effective on a permanent basis (“October 2022 Order”)<sup>23</sup>.

This proposal will conform the eligibility criteria for LIPA’s low-income program as offered in National Grid’s KeySpan Energy Delivery Long Island (“KEDLI”)’s tariff<sup>24</sup> and the August 2021 and October 2022 Orders.

### **Low Income Program: Proposed Action**

LIPA Staff proposes to modify its Tariff to: (1) expand the eligibility requirements for the low-income program to include the Federal Lifeline Qualifying Programs and Child Health Plus; and (2) clarify that the enrollment and renewal period for the low-income program is 14 months (rather than 12 months).

LIPA’s proposal is consistent with similar changes made by other utilities in New York State pursuant to the Commission’s August 2021 Order and October 2022 Order. Customers that can show, or for whom LIPA can confirm, enrollment in at least one of the following programs would be eligible for the low-income program discount: Low-Income Home Energy Assistance Program (“LIHEAP”); Medicaid; Supplemental Nutrition Assistance Program (“SNAP”); Supplemental Security Income (“SSI”); Temporary Assistance for Needy Family Assistance (“FA”); Safety Net Assistance – Public Assistance; United States Veteran’s Disability Pension or Veteran’s Surviving Spouse Pension, Child Health Plus or Federal Lifeline Program.

### **Low Income Program: Financial Impact**

The net financial impact of this proposal is estimated to be minimal, since most current participants

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30, 2017). The Commission 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 Commission order in the statewide ESCO proceeding and propose further changes for Long Island as appropriate.

<sup>22</sup> Case 14-M-0565, Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings (August 12, 2021) (“August 2021 Order”).

<sup>23</sup> Case 14-M-0565, Order Approving Tariff Amendments on a Permanent Basis (October 13, 2022) (“October 2022 Order”).

<sup>24</sup> See <https://www.nationalgridus.com/long-island-ny-home/Bill-Help/Energy-Affordability-Program.aspx>

are qualified by our existing eligible criteria. Extending eligibility cannot be estimated at this time, as the participation rates among our customers in these newly eligible programs is not known.

### **Low Income Program: Stakeholder and DPS Comments**

Two public comment sessions were held on the Tariff proposals and written comments were also solicited from interested stakeholders. No comments were received from the public on the Low Income Program proposal.

DPS supported the adoption of the proposed modifications to the LMI program as proposed. It also recommended LIPA and its Service Provider continue to comply with low income discount objectives outlined in Case 14-M-0565 and continue to participate in the EAP Working Group to ensure that the target energy burden is set at or below six percent of household income for all low income households in LIPA's territory.

**LIPA Staff Response:** LIPA Staff and PSEG Long Island have been proactive in identifying the changes needed to keep LIPA's programs aligned with the State's objectives as they are developed and implemented with the advice of the EAP Working Group. LIPA and PSEG Long Island staff intend to continue participating in the Working Group in 2024, as we have done for the past several years.

### **ZEC Program Financial Backstop Cost Recovery: Background**

On August 1, 2016, the Commission adopted an order establishing a Clean Energy Standard (the "CES Framework Order")<sup>25</sup> as part of the State's strategy to achieve a 40% reduction of statewide greenhouse gas emissions by 2030. The CES Framework Order required that 50% of New York's electricity be generated from renewable resources by 2030. The Climate Leadership and Community Protection Act ("CLCPA") increased the 2030 renewable energy goal from 50% to 70%, effective January 1, 2020.<sup>26</sup>

The CES Framework Order expected every Load Serving Entity ("LSE") in New York State, including LIPA, which is not subject to the Commission's jurisdiction, to "participate by satisfying their requisite share of responsibility."<sup>27</sup> The CES Framework Order divided the CES into a Renewable Energy Standard ("RES") and a Zero-Emissions Credit ("ZEC") requirement. The New York State Energy Research and Development Authority ("NYSERDA") administers these programs by purchasing RECs and ZECs from qualifying generators during each compliance year.

On November 17, 2016, the Commission issued an order approving Administrative Cost Recovery, Standardized Agreements and Backstop Principles ("CES Administration Order")<sup>28</sup> and adopted the concept of a financial backstop whereby NYSERDA would be able to collect CES program

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<sup>25</sup> Case No. 15-E-0302, Order Adopting a Clean Energy Standard (issued August 1, 2016)

<sup>26</sup> Public Service Law (PSL) §66-p.

<sup>27</sup> Case No. 15-E-0302, CES Framework Order, p. 8

<sup>28</sup> Case No. 15-E-0302, Order Approving Administrative Costs Recovery, Standardized Agreements and Backstop Principles (issued November 17, 2016)

shortfalls from the Electric Distribution Companies (“EDCs”) in New York State. LIPA, which is an EDC that is not subject to the Commission’s jurisdiction, was expected to participate in the backstop mechanism to ensure a full and equitable implementation of the statewide policy.<sup>29</sup>

On June 23, 2023, the Commission issued an order approving the financial backstop collection mechanism to ensure NYSEDA has sufficient funds to make timely payments to eligible generators and sustain the ZEC Program.<sup>30</sup> The once-per-year mechanism allows NYSEDA to cure an existing ZEC deficit and certain forecasted shortfalls approved by the Commission. The backstop cost is to be recovered from all customers of the EDC over a period of no more than 12 months.

### **ZEC Program Financial Backstop Cost Recovery: Proposed Action**

LIPA Staff proposes to modify its Tariff to clarify that costs associated with the LIPA’s participation in CES program, including the financial backstop costs, will be recovered through the Power Supply Charge.

The financial Backstop Costs shall be amortized over a period of 12 months, and the amortized amount shall be included in each month’s Costs included in the Power Supply Charge. This amount is allocated to LIPA as an Electric Distribution Company per the Commission Order on June 23, 2023, and therefore shall not be part of the Market Supply Charge.

The Tariff change proposed is consistent with the CES Administration Order issued by the Commission on November 17, 2016, under case 15-E-0302 and the financial backstop collection mechanism approved by the Commission Order in the same Case on June 23, 2023.

### **ZEC Program Financial Backstop Cost Recovery: Financial Impact**

The financial impact associated with the tariff modification depends on the exact amount of backstop costs allocated to LIPA. The initial LIPA share of the costs is \$4,523,048, or approximately \$0.000248 per kWh of energy LIPA delivers. For a typical LIPA residential customer who consumes 715 kWh per month on average, the financial impact is about \$0.18 a month for 12 months.

### **ZEC Program Financial Backstop Cost Recovery: Stakeholder and DPS Comments**

Two public comment sessions were held on the Tariff proposals and written comments were also solicited from interested stakeholders. No comments were received from the public on the Clean Energy Standard ZEC Program Financial Backstop Cost Recovery proposal.

DPS Staff reviewed LIPA’s Tariff proposal and determined that it aligns with the requirements in the Commission’s June 23, 2023 Order and recommended LIPA’s proposal be adopted as proposed.

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<sup>29</sup> Id., p.20

<sup>30</sup> Case No. 15-E-0302, Order Approving Financial Backstop Collection Mechanism (Issued June 23, 2023)



## **Public Comments**

LIPA held two public comment sessions on the proposed tariff changes on November 27, 2023, and solicited written comments through December 7, 2023. Transcripts of the public comment sessions and a compendium of written comments received are attached as exhibits, and the comments are summarized above, together with responses from LIPA Staff.

## **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**

<b><u>Exhibit A-1</u></b>	Resolution Approving Small Generator Interconnection Procedures
<b><u>Exhibit A-2</u></b>	Resolution Approving Dynamic Load Management Program
<b><u>Exhibit A-3</u></b>	Resolution Approving Community Choice Aggregation Program
<b><u>Exhibit A-4</u></b>	Resolution Approving Low Income Program
<b><u>Exhibit A-5</u></b>	Resolution Approving ZEC Program Financial Backstop Cost Recovery
<b><u>Exhibit B-1</u></b>	Small Generator Interconnection Procedures - Tariff Redline
<b><u>Exhibit B-2</u></b>	Dynamic Load Management Program - Tariff Redline
<b><u>Exhibit B-3</u></b>	Community Choice Aggregation Program - Tariff Redline
<b><u>Exhibit B-4</u></b>	Low Income Program - Tariff Redline
<b><u>Exhibit B-5</u></b>	ZEC Program Financial Backstop Cost Recovery - Tariff Redline
<b><u>Exhibit C</u></b>	DPS Letter of Recommendation on Tariff Changes
<b><u>Exhibit C-1</u></b>	DPS Recommendations Correction Letter
<b><u>Exhibit D-1</u></b>	Public Comment Session Transcripts PM and Virtual Session
<b><u>Exhibit D-2</u></b>	Public Comment Session Transcripts AM Session
<b><u>Exhibit E</u></b>	Compendium of Written Public Comments

**APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF RELATED TO  
THE SMALL GENERATOR INTERCONNECTION PROCEDURES**

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WHEREAS, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board’s commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board also has adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board’s commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA’s share of the clean energy goals of New York’s Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA’s purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; 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 September 27, 2023, public hearings were held in Nassau and Suffolk County on November 27, 2023, in person, by phone and video conference accessible to all customers in LIPA’s service territory, 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 LIPA’s Tariff, are hereby adopted and approved to be effective January 1, 2024; 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.

Dated: December 13, 2023

**APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF RELATED TO  
THE DYNAMIC LOAD MANAGEMENT PROGRAM**

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**WHEREAS**, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board’s commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

**WHEREAS**, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board’s commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA’s share of the clean energy goals of New York’s Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

**WHEREAS**, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA’s purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; 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 September 27, 2023, public hearings were held in Nassau and Suffolk County on November 27, 2023, in person, by phone and video conference accessible to all customers in LIPA’s service territory, 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 LIPA’s Tariff are hereby adopted and approved to be effective January 1, 2024; 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.

Dated: December 13, 2023

**APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF RELATED TO  
THE COMMUNITY CHOICE AGGREGATION PROGRAM**

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**WHEREAS**, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board’s commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

**WHEREAS**, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board’s commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA’s share of the clean energy goals of New York’s Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

**WHEREAS**, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA’s purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; 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 September 27, 2023, public hearings were held in Nassau and Suffolk County on November 27, 2023, in person, by phone and video conference accessible to all customers in LIPA’s service territory, 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 LIPA’s Tariff (other than those related to the dispute resolution provisions which will be proposed in a separate rule making under the SAPA) are hereby adopted and approved to be effective January 1, 2024; 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.

Dated: December 13, 2023

**APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF RELATED TO THE LOW INCOME PROGRAM**

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**WHEREAS**, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board’s commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

**WHEREAS**, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA’s purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design; 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 September 27, 2023, public hearings were held in Nassau and Suffolk County on November 27, 2023, in person, by phone and video conference accessible to all customers in LIPA’s service territory, 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 LIPA’s Tariff are hereby adopted and approved to be effective January 1, 2024; 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.

Dated: December 13, 2023

**APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF RELATED TO ZEC PROGRAM FINANCIAL BACKSTOP COST RECOVERY**

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**WHEREAS**, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board’s commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

**WHEREAS**, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board’s commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA’s share of the clean energy goals of New York’s Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

**WHEREAS**, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA’s purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; 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 September 27, 2023, public hearings were held in Nassau and Suffolk County on November 27, 2023, in person, by phone and video conference accessible to all customers in LIPA’s service territory, 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 LIPA’s Tariff are hereby adopted and approved to be effective January 1, 2024; 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.

Dated: December 13, 2023



# Consideration

Small Generator Interconnection Procedures  
For Distributed Generators and/or Energy Storage Systems Less than 10 MW Connected in  
Parallel with LIPA's Radial Distribution Systems

# Postponed

Revised January 1, ~~2023~~2024

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Postponed



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# Consideration Postponed

## Section I. Application Process

### Section I.A. Introduction

The Small Generator Standardized Interconnection Procedures (“SGIP”) for Distributed Generators and/or Energy Storage Systems Less Than 10 MW Connected in Parallel with LIPA’s Radial Distribution Systems, administered by PSEG Long Island, as the service provider and agent for LIPA,<sup>1</sup> provides a framework for processing applications for interconnection to LIPA’s Distribution System for:

- i. Interconnection of new distributed generation (“DG”) facilities with an alternating current (AC) nameplate rating of less than 10 MW (aggregated on the customer side of the point of common coupling (“PCC”));
- ii. Interconnection of new energy storage system (“ESS”) facilities with an AC inverter/converter nameplate rating of less than 10 MW aggregated on the customer side of the PCC that may be stand-alone systems or combined with existing or new DG (“Hybrid Projects”); however, maximum export capacity onto the utility distribution system is capped at an AC nameplate rating or AC inverter/converter nameplate rating of less than 10 MW;
- iii. Modifications to existing distributed generation facilities and/or ESS facilities with a nameplate rating of less than 10 MW (aggregated on the customer side of the PCC) that have been interconnected to the LIPA Distribution System and where an existing contract between the applicant and LIPA is in place;
- iv. For new distributed generation facilities less than 10 MW, interconnection to specific voltage level of the Distribution LIPA System will be determined during the study phase of the application process;
- v. New distributed generation facilities 10 MW and above must connect to LIPA’s transmission system and make application to the New York Independent System Operator (“NYISO”) under its Small Generator Interconnection Procedures (“NYISO SGIP”) or Large Generator Interconnection Procedures (“LGIP”), as applicable;
- vi. PSEG Long Island will use reasonable efforts to adhere to the specific timeline set forth in the SGIP. However, additional time may be needed to conduct research, studies, and other tasks necessary for interconnection of new technologies. Once such a system is successfully interconnected, it will no longer be considered a new technology, and PSEG Long Island will follow the timelines in accordance with this SGIP.

If a Distributed Generation or Energy Storage System is neither designed to operate nor operating in parallel with LIPA’s System, such equipment is not subject to these requirements.

The application procedures set forth in Section I are organized to facilitate efficient review of potential interconnections to LIPA’s Distribution System. This document will help ensure that applicants are aware of the technical interconnection requirements and LIPA’s interconnection policies and practices. This SGIP and related procedures will also provide applicants with an understanding of the process and information required to allow PSEG Long Island to review and accept the applicants’ equipment for interconnection in a reasonable and expeditious manner.

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<sup>1</sup> This SGIP is an Addendum to, and part of, LIPA’s Tariff for Electric Service. As the service provider for LIPA, PSEG Long Island (as defined herein) administers the SGIP on LIPA’s behalf as its agent.

The application procedures for up to 10 MW distributed generator interconnections to LIPA's Distribution System are detailed in Section I and organized for three categories of generator interconnections. Section I.B addresses application procedures for systems of less than 50 kW as well as inverter-based systems above 50 kW up to 300 kW that have been certified and tested in accordance with UL 1741. Section I.C addresses application procedures for systems above 50 kW up to 5 MW. Section I.G addresses application procedures above 5 MW up to 10 MW.

For systems sized between 0-5 MW, the time required to complete the process will reflect the complexity of the proposed project. Projects using previously submitted designs certified per the requirements of Section 7.1.1 and 8.1.1 of PSEG Long Island's Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA's Distribution System for Preliminary Screening Analysis will move through the process more quickly, and several steps may be satisfied with an initial application depending on the detail and completeness of the application and supporting documentation submitted by the applicant. Applicants submitting systems utilizing certified equipment, however, are not exempt from providing PSEG Long Island with complete design packages necessary for PSEG Long Island to verify the electrical characteristics of the generator systems, the interconnecting facilities, and the impacts of the applicants' equipment on LIPA's Distribution System.

The application process and the attendant services are offered on a non-discriminatory basis. PSEG Long Island will clearly identify its costs related to the applicants' interconnections, specifically those costs PSEG Long Island would not have incurred but for the applicants' interconnections. PSEG Long Island will keep a log of all applications, milestones met, and justifications for application-specific requirements. The applicants are to be responsible for payment of all costs, as provided for herein.

All interconnections to LIPA's Distribution System are subject to the Interconnection Requirements set forth in Section II. These requirements detail the technical interconnection requirements and PSEG Long Island interconnection policies and practices. Where specific standards or requirements are applicable to a specific type of system or to a system of a particular kW or MW value, such limitations are noted in the applicable standards.

Currently, LIPA does not allow any interconnection of Distributed Generation in Underground secondary Network Areas of the LIPA Distribution System.

All application timelines shall commence the next Business Day following receipt of information from the applicant. For purposes of determining the date of an applicant's payment, when a payment is required, fees paid by wire transfer shall be deemed paid on the day of the transfer, whereas fees paid by check shall be deemed paid on the day the check clears.

Additional technical references and requirements are included in "PSEG Long Island's Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA's Distribution System" document which addresses such matters as the following:

- Voltage Response
- Frequency Response
- Reconnection to LIPA's Distribution System
- Induction Generators
- Inverters
- Minimum Protective Functions
- Metering
- Islanding

- Operating Requirements
- Disconnect Switch
- Power Quality
- Power Factor
- Equipment Certification (new section)
- Verification Testing (new section)
- Preliminary Screening Analysis
- Other technical requirements

All Interconnection Customers must comply with “PSEG Long Island’s Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA’s Distribution System” document, as it may be modified by LIPA from time to time.

All SGIP applicants that are subject to the Business Practices for Distributed Energy Resource Suppliers (“BP-DERS”) that are in non-compliance of the BP-DERS may be subject to the suspension of their application for interconnection to LIPA’s Distribution System.

**Consideration**

A glossary of terms used herein is provided in Section III.

### Section I.B. Application Process Steps for Systems 50 kW or Less (Expedited/Fast Track Process)

**Postponed**

**Exception 1:** For inverter based systems above 50 kW up to 300 kW, applicants may follow the expedited application process outlined in this Section provided that the inverter based system has been certified and tested in accordance with the most recent revision of UL 1741, including supplement B (“UL 1741 SB”), with settings as specified in the PSEG Long Island’s technical requirements document, and its supplement A (SA), and PSEG Long Island has approved the project accordingly. PSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete, the project is eligible for the expedited process, and whether it is approved for interconnection if eligible for expedited process. PSEG Long Island shall notify the applicant in writing of its findings upon review of the application. If PSEG Long Island determines that the inverter based system is not eligible for the expedited application process, the applicant can:

- 1) Proceed with the remaining steps of Section I.C of the SGIP (Systems above 50 kW up to 5 MW);

**Exception 2:** For non-inverter based systems 50 kW or less, the applicant should be aware that additional information and review time may be required by PSEG Long Island (refer to Step 3). The applicant must include the items required in Step 5 of Section I.C in its original application. This exception should not be considered the rule, but used by PSEG Long Island only in justified situations. PSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete, project is eligible for expedited process, and whether it is approved for interconnection if eligible for expedited process. PSEG Long Island shall notify the applicant in writing of its findings upon review of the application. If PSEG Long Island determines that the non-inverter based system is not eligible for the expedited application process, the applicant can:

- 1) Proceed with the remaining steps of Section I.C of the SGIP (Systems above 50 kW up to 5 MW);

#### **STEP 1: Initial Communication from the Potential Applicant**

Communication could range from a general inquiry to a completed application.

## **STEP 2: The Inquiry is reviewed by PSEG Long Island to Determine the Nature of the Project**

Technical staff from PSEG Long Island discusses the scope of the interconnection with the potential applicant (either by phone or in person) and provides a copy of the SGIP document and any LIPA specific technical specifications that may apply. A PSEG Long Island representative will be designated to serve as the single point of contact for the applicant (unless PSEG Long Island informs the applicant otherwise) in coordinating the potential applicant's project with PSEG Long Island.

## **STEP 3: Potential Applicant Files an Application**

The potential applicant submits an application package to PSEG Long Island. No application fee is required for systems 50 kW or less.

A complete application package will consist of all items detailed in Appendix F. Electronic submission of all documents via Interconnection Online Application Portal ("IOAP") is required. PSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete, meets the SGIP technical requirements in Section II, and/or approved for interconnection if all other requirements are met. PSEG Long Island shall notify the applicant by email, fax, or other form of written communication. If the application is deemed not complete by PSEG Long Island, PSEG Long Island shall provide an explanation of the deficiencies identified and a list of the additional information required from the applicant. Once it has received the required information, PSEG Long Island shall notify the applicant of the acceptance or rejection of the application within ten (10) Business days. If the applicant fails to submit the additional information requested by PSEG Long Island to address the deficiencies, PSEG Long Island within thirty (30) Business Days following the date of PSEG Long Island's written notification, the application shall be removed from the queue and no further action on the part of PSEG Long Island is required.

If PSEG Long Island accepts the application, the notification of acceptance to the applicant shall include an executed LIPA Standardized Interconnection Contract and the applicant may proceed with the proposed installation. PSEG Long Island shall also indicate in its response to the applicant whether or not it plans to witness the testing and verification process in person.

An application will be placed in PSEG Long Island's interconnection inventory once it is accepted as complete. If the final acceptance as set out in Step 6 below is not completed within twelve (12) months of receipt of such executed copy of the Standardized Interconnection Contract as a result of applicant inactivity or other failure to pursue diligently the timely completion of the interconnection, PSEG Long Island has the right to notify the applicant by U.S. first class mail with delivery receipt confirmation or via email that the applicant's project will be removed from PSEG Long Island's interconnection inventory if the applicant does not respond within thirty (30) Business Days of the issue of such notification and provide a project status update and justification as to why the project should remain in PSEG Long Island's interconnection inventory for an additional period of time.

With respect to an applicant proposing to install a system rated 25 kW or less, that is to be net-metered, if PSEG Long Island determines that it is necessary to install a dedicated transformer(s) or other equipment to protect the safety and adequacy of electric service provided to other customers, the applicant shall be informed of its responsibility for the actual costs for installing the dedicated transformer(s) and other safety equipment. Appendix E specifies the maximum responsibility each applicant shall have with respect to the actual cost of the dedicated transformer(s) and other safety equipment. The applicant will pay the cost estimate as provided in Section I.D.

#### **STEP 4: System Installation**

The applicant will install the system according to PSEG Long Island-accepted design and the equipment manufacturer's requirements. If there are substantive design variations from the originally accepted system diagram, a revised system diagram (and other drawings for non-inverter based systems) shall be submitted by the applicant for PSEG Long Island review and acceptance. All inverter based systems will be allowed to interconnect to the LIPA system for a period not to exceed two hours, for the sole purpose of ensuring proper operation of the installed equipment.

For net metered systems, as defined in LIPA's Net Metering Rules, any modifications related to existing metering configurations to allow for net metering shall be completed by PSEG Long Island prior to Step 5. PSEG Long Island shall complete the necessary metering changes within ten (10) Business Days of receiving a request from the applicant.

#### **STEP 5: The Applicant's Facility is tested in Accordance with the SGIP**

Verification testing will be performed by the applicant in accordance with the written verification test procedure specified in Appendix F. If PSEG Long Island requested to witness the testing and verification process in person as required in Step 3, the applicant shall provide a written letter of notification to PSEG Long Island that the system installation is completed, including any applicable inspections and authorization. After receipt of notification, the verification testing will be conducted within ten (10) Business Days of system installation at a mutually agreeable time, and PSEG Long Island shall be given the opportunity to witness the tests. If PSEG Long Island opts not to witness the test, the applicant will send PSEG Long Island within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the SGIP, the PSEG Long Island-accepted design and the equipment manufacturer's instructions. The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 5. The applicant must have complied with and must continue to comply with all contractual and technical requirements.

#### **STEP 6: Final Acceptance**

Within five (5) Business Days of receiving the written notification of successful test completion from Step 5, PSEG Long Island will issue to the applicant a formal letter of acceptance for interconnection. If the test was not completed successfully, the project must be modified to pass the test, or the project shall be withdrawn from the PSEG Long Island queue. Within five (5) Business Days of the completion of the on-site verification, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system.

### Section I.C. Application Process Steps for Systems above 50 kW up to 5 MW

If, at any point in its review of an application, PSEG Long Island determines that the project may benefit from or require a Qualifying Upgrade (as defined herein), the procedures of Appendix E shall apply.

For inverter based systems above 50 kW up to 300 kW, certified and tested in accordance with the most recent revision of UL 1741, including supplement B (“UL 1741 SB”), with settings as specified in the PSEG Long Island’s technical requirements document, and its supplement A (SA), applicants are encouraged, but not required, to use the expedited application process (Section I.B).

PSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete and whether it is eligible for interconnection. PSEG Long Island shall notify the applicant in writing of its findings upon review of the application. If PSEG Long Island determines that the DG system cannot be interconnected or requires additional information be submitted and/or additional review time is needed, the applicant can work with PSEG Long Island on an appropriate timeframe and approval schedule agreeable to both parties.

Currently, LIPA does not allow interconnection of Distributed Generation in Underground secondary Network Areas of the LIPA distribution system.

**Consideration**  
STEP 1: Initial Communication from the Potential Applicant.

Communication could range from a general inquiry to a completed application.

STEP 2: The Inquiry is reviewed by PSEG Long Island to Determine the Nature of the Project.

**Postponed**

Technical staff from PSEG Long Island may discuss the scope of the interconnection with the potential applicant (either by phone or in person) and shall provide a copy of the SGIP and any PSEG Long Island specific technical specifications that may apply. A PSEG Long Island representative shall be designated to serve as the single point of contact for the applicant in coordinating the potential applicant’s project with PSEG Long Island. At this time the applicant may also request that a Pre-Application Report (see Appendix D herein) be provided by PSEG Long Island. The applicant shall provide a non-refundable fee of \$750 with its request for completion of the Pre-Application Report. The Pre-Application Report shall be provided to the applicant within ten (10) Business Days of receipt of the form and payment of the fee. The Pre-Application Report will be non-binding and shall only provide the electrical system data and information requested that is readily available to PSEG Long Island. Should the applicant formally apply to interconnect their proposed DG project within fifteen (15) Business Days of receipt of PSEG Long Island’s Pre-Application Report, the \$750 will be applied towards the application fee in Step 3.

#### STEP 3: Potential Applicant Files an Application.

The potential applicant submits an application to PSEG Long Island in the name of the customer. A complete application package will consist of all items detailed in Appendix F. Electronic submission of all documents via the IOAP is required. If a Pre-Application Report has been provided to the customer, and an application is received by PSEG Long Island within fifteen (15) Business Days of the date of issue of the Pre-Application Report, a \$750 credit will be applied towards the application fee. Otherwise, payment of a non-refundable \$750 application fee is required.

PSEG Long Island shall review the application to determine whether it is complete in accordance with Appendix F, and whether any additional information is required from the applicant. PSEG Long Island

shall notify the applicant in writing within ten (10) Business Days following receipt of the application and the application fee. If the application is not complete, PSEG Long Island shall provide a detailed explanation of the deficiencies and provide a list of additional information needed to the applicant. PSEG Long Island shall notify the applicant by email, fax, or other form of written communication. PSEG Long Island's review at this stage is limited to the determination of completeness from an administrative perspective and does not mean the application has also received approval from an engineering perspective. PSEG Long Island may require supplemental materials and information for purposes of performing a Coordinated Electric System Interconnection Review.

If the applicant fails to submit all items required by Appendix F, or to provide additional information identified by PSEG Long Island within thirty (30) Business Days following the date of PSEG Long Island's notification, the application shall be deemed withdrawn and no further action on the part of PSEG Long Island is required.

A completed application shall be placed in the interconnection queue maintained by PSEG Long Island.

If the required documentation is presented in this step, it will allow PSEG Long Island to move to Step 4 and perform the required reviews and allow the process to proceed as expeditiously as possible.

PSEG Long Island will refund any advance payments for services or construction not yet completed should the applicant be removed from PSEG Long Island's interconnection inventory. If the costs incurred by PSEG Long Island exceed the advance payments made by the applicant prior to removal from the interconnection inventory, the applicant will receive a bill for any balance due to PSEG Long Island.

**STEP 4: PSEG Long Island Conducts a Preliminary Review and Develops a Cost Estimate for the Coordinated Electric System Interconnection Review ("CESIR")**

PSEG Long Island shall perform a Preliminary Screening Analysis of the proposed system interconnection utilizing the technical screens detailed in Appendix G. The Preliminary Screening Analysis shall be completed and a written response detailing the results of each screen and the overall outcome of the Preliminary Screening Analysis shall be sent to the applicant within fifteen (15) Business Days of the completion of Step 3. Depending on the results of the Preliminary Screening Analysis and the subsequent choices of the applicant, the following process(es) will apply:

If the Preliminary Screening Analysis finds that the applicant's proposed system passes all of the relevant technical screens and is in compliance with the Interconnection Requirements outlined in Section II, and there are no requirements for Interconnection Facilities or Distribution Upgrades, PSEG Long Island will return an executed Standardized Interconnection Contract to the applicant and the applicant may proceed with the interconnection process.

If the Preliminary Screening Analysis finds that the applicant's proposed system cannot pass all of the relevant technical screens, PSEG Long Island shall provide the technical reasons, data and analysis supporting the Preliminary Screening Analysis results in writing. The applicant shall notify PSEG Long Island within ten (10) Business Days following such notification whether to (i) proceed to a Preliminary Screening Analysis results meeting, (ii) proceed to Supplemental Screening Review, (iii) proceed to a full CESIR, or (iv) withdraw the Interconnection Request. If a cost estimate for the CESIR is not provided with the Preliminary Screening Analysis results, PSEG Long Island shall provide a cost estimate within five (5) Business Days of a request from the applicant. If the applicant opts to proceed to a full CESIR, PSEG Long Island shall provide an invoice for the CESIR fee to the applicant within ten (10) Business Days of receipt of the applicant's notification. The applicant shall have ten (10) Business Days from receipt of the invoice to pay the CESIR fee. If the applicant fails to meet either the notification or the payment deadline, the



application shall be removed from the queue and no further action on the part of PSEG Long Island is required.

- i. If the applicant chooses to proceed to a Preliminary Screening Analysis results meeting and modifications that obviate the need for Supplemental Screening Analysis detailed in Appendix G are identified, and the applicant and PSEG Long Island agree to such modifications, PSEG Long Island shall return a signed and executed Standardized Interconnection Contract within fifteen (15) Business Days of the Preliminary Screening Analysis results meeting if no Interconnection Facilities or Distribution Upgrades are required. The applicant shall notify PSEG Long Island within fifteen (15) Business Days following such notification indicating the intention of the applicant to revise its application as requested and proceed with the interconnection process.

If Interconnection Facilities or Distribution Upgrades are required and agreed to, PSEG Long Island shall provide the applicant with a non-binding cost estimate of any Interconnection Facilities or Distribution Upgrades within fifteen (15) Business Days of the Preliminary Screening Analysis results meeting. The applicant will pay the cost estimate as provided in Section I.D.

If the applicant chooses to proceed to a Preliminary Screening Analysis results meeting and modifications that obviate the need for Supplemental Analysis are not identified and agreed to, the applicant shall notify PSEG Long Island within ten (10) Business Days of the meeting of their intention to (i) proceed to Supplemental Screening Analysis, (ii) proceed to a full CESIR, or (iii) withdraw the Interconnection Request. If the applicant fails to notify PSEG Long Island of their decision by this deadline the Interconnection Request shall be removed from the queue and no further action on the part of PSEG Long Island is required.

- ii. Applicants that elect to proceed to Supplemental Screening Analysis detailed in Appendix G shall provide a nonrefundable fee of \$2,500 with their response; however, actual costs up to a maximum of \$5,000 will be billable to the applicant upon reconciliation of utility costs as defined in Step 11 or exit from the interconnection queue. PSEG Long Island shall complete the Supplemental Analysis within twenty (20) Business Days, absent extraordinary circumstances, following authorization and receipt of the fee. If the Supplemental Analysis finds that the applicant's proposed system passes all of the relevant technical screens and is in compliance with the Interconnection Requirements outlined in Section II, then there are no requirements for Interconnection Facilities or Distribution Upgrades. Thus, PSEG Long Island will return a signed and executed Standardized Interconnection Contract to the applicant within fifteen (15) Business Days of providing the applicant the results of the Supplemental Review and the applicant may proceed with the interconnection process.

If the Supplemental Screening Analysis detailed in Appendix G finds that the applicant's proposed system cannot pass all of the relevant technical screens, PSEG Long Island shall provide the technical reasons, data, and analysis supporting the Supplemental Screening Analysis results in writing. The applicant shall notify PSEG Long Island within ten (10) Business Days following such notification whether to (i) proceed to a Supplemental Screening Analysis results meeting, (ii) proceed to a full CESIR, or (iii) withdraw the application. If the applicant fails to notify PSEG Long Island of their decision by this deadline, the application shall be removed from the queue and no further action on the part of PSEG Long Island is required.

- i. If the applicant chooses to proceed to a Supplemental Screening Analysis results meeting, and modifications that obviate the need for a CESIR are identified, and the applicant and PSEG Long Island agree to such modifications, PSEG Long Island shall return a signed and executed

Standardized Interconnection Contract within fifteen (15) Business Days of the Supplemental Screening Analysis results meeting if no Interconnection Facilities or Distribution Upgrades are required. The applicant will sign and return the contract within fifteen (15) Business Days after receipt from PSEG Long Island and proceed with the interconnection process.

- ii. If the applicant chooses to proceed to a Supplemental Review results meeting and modifications that obviate the need for a CESIR are not identified and agreed to, the applicant shall notify PSEG Long Island, within ten (10) Business Days of the meeting, of the applicant's intention to proceed to a full CESIR or withdraw the application. If the applicant fails to notify PSEG Long Island of applicant's decision by this deadline, the application shall be removed from the queue and no further action on the part of PSEG Long Island is required.
- iii. If the applicant decides to proceed to a CESIR after the Supplemental Screening Analysis or if the applicant chooses at any time in the above process to proceed directly to a CESIR, PSEG Long Island shall provide a cost estimate for the CESIR, if not already provided with preliminary analysis results, within five (5) Business Days of a request from the applicant. If the applicant opts to proceed to a full CESIR, PSEG Long Island shall provide an invoice for the CESIR fee to the applicant within ten (10) Business Days of receipt of the applicant's notification. The applicant shall have ten (10) Business Days from receipt of the invoice to pay the fee. If the applicant fails to meet the payment deadline, the application shall be removed from the queue and no further action on the part of PSEG Long Island is required.

If Interconnection Facilities or Distribution Upgrades are required to interconnect a proposed system that passes the relevant screens, PSEG Long Island shall provide the applicant with a non-binding cost estimate of any Interconnection Facilities or Distribution Upgrades within fifteen (15) Business Days of the Supplemental Screening Analysis results. The applicant will pay the cost estimate as provided in Section I.D.

An accepted application will be placed in PSEG Long Island's interconnection inventory upon PSEG Long Island's receipt of the Standardized Interconnection Contract executed by the applicant. If the final acceptance as set out in Step 11 below is not completed within twelve (12) months of receipt of such executed copy of the Standardized Interconnection Contract as a result of applicant inactivity, PSEG Long Island has the right to notify the applicant by U.S. first class mail with delivery receipt confirmation or via email that the applicant's project will be removed from PSEG Long Island's interconnection inventory if the applicant does not respond within thirty (30) Business Days of the issue of such notification and provide a project status update and justification as to why the project should remain in PSEG Long Island's interconnection inventory for an additional period of time.

#### **STEP 5: Applicant Commits to the Completion of the CESIR**

The applicant will indicate his commitment to the CESIR cost estimate by confirming agreement within ten (10) business days of receipt. If the customer declines the agreement, the application will be closed. Prior to commencement of the CESIR, the applicant shall provide the following information to PSEG Long Island:

- i. A complete updated interconnection design package, if there have been any changes to the documents submitted with the application;
- ii. Proof of site control and by executing the ~~New York State Standard~~ Site Control Certification Form, provided in Appendix H and Appendix H-1;
- iii. The name and phone number and agent letter of authorization (if appropriate) of the individual(s) responsible for addressing technical and contractual questions regarding the proposed system;
- iv. If applicable, advanced payment of the costs associated with the completion of the CESIR; and

- v. Electrical studies as requested by PSEG Long Island to demonstrate that the design is within acceptable limits, inclusive and limited to the following: system fault, relay coordination, flicker, voltage drop, and harmonics. This shall include all relay, communication, and controller set points.

PSEG Long Island may require a three-line diagram for solar photovoltaic (“PV”) and BESS designs proposed on three-phase systems, which shall include detailed information on the wiring configuration at the PCC and an exact representation of the existing utility service.

If PSEG Long Island determines that the detailed interconnection design package provided by the applicant is incomplete or otherwise deficient, PSEG Long Island shall notify the applicant within ten (10) Business Days and provide an explanation of the deficiencies identified and a list of what is required by the applicant. Unless otherwise notified by PSEG Long Island, the CESIR review period begins upon confirmed receipt and acceptance of the applicants interconnection design package and associated fees.

If the applicant fails to provide PSEG Long Island authorization to proceed, CESIR fee, and information requested within thirty (30) Business Days of the request, the application shall be removed from the queue and no further action on the part of PSEG Long Island is required.

# Consideration

STEP 6: PSEG Long Island Completes the CESIR

The CESIR will consist of two parts:

- (1) A detailed review and explanation of the impacts to the LIPA system associated with the interconnection of the proposed system, and
- (2) A detailed review and explanation of the proposed system’s compliance with the applicable criteria set forth below.

# Postponed

A CESIR will be performed by PSEG Long Island to determine if the proposed generation on the circuit results in any protective coordination, fault current, thermal, voltage, power quality, or equipment stress concerns.

The CESIR shall be completed within sixty (60) Business Days of receipt of the information set forth in Step 5. For systems utilizing type-tested equipment, the time required to complete the CESIR may be reduced. PSEG Long Island shall complete the CESIR within sixty (60) Business Days, absent extraordinary circumstances, following authorization, receipt of the CESIR fee, and complete information set forth in Step 5. If the applicant fails to provide PSEG Long Island authorization to proceed, CESIR fee and information requested within thirty (30) Business Days, the interconnection request shall be removed from the queue and no further action on the part of PSEG Long Island is required.

The applicant and PSEG Long Island may agree to allow up to an additional forty (40) Business Days beyond the time specified above for completion of the CESIR, provided that no other application is adversely impacted

Upon completion of the CESIR, PSEG Long Island will provide the following, in writing, to the applicant:

- (1) LIPA system impacts, if any;
- (2) notification of whether the proposed system meets the applicable criteria considered in the CESIR process;
- (3) if applicable, a description of where the proposed system is not in compliance with these requirements;

- (4) detailed description of reasoning and justification for any system upgrades and associated equipment deemed necessary for interconnection of the project;
- (5) a good faith, detailed estimate of the total cost of completion of the interconnection of the proposed system and/or a statement of cost responsibility for any system upgrades and associated equipment deemed necessary for interconnection of the project, ~~which is valid for sixty (60) Business Days;~~  
and
- (6) A Qualifying Upgrade Disclosure, if applicable.

Appendix E sets forth the responsibility each applicant shall have with respect to the actual cost of the system upgrades and equipment necessary for the interconnection of the project. PSEG Long Island cost estimates provided in the CESIR shall be detailed and broken down by specific equipment requirements, material needs, labor, overhead, and any other categories or efforts incorporated in the estimate. Contingencies associated with the cost estimates shall not exceed +/- 15%.

#### **STEP 7: Applicant Commits to PSEG Long Island Construction of LIPA's System Modifications.**

The applicant and PSEG Long Island will execute a standardized contract for interconnection as set forth in Appendix A and the applicant will provide PSEG Long Island with an advance payment of 30% of PSEG Long Island's estimated costs as identified in Step 6 within the time provided in Section I.D.

PSEG Long Island is not required to procure any equipment or materials, or perform design and engineering work associated with the project, or begin construction until a 30% deposit payment has been received. Progress payments will be required during construction and any over or under recovery will be reconciled and invoiced to the Applicant after Step 10. Invoice payments are due within thirty (30) Business Days of receipt.

The applicant shall provide both an updated three-line diagram and site-specific testing procedures within thirty (30) Business Days of making the 30% deposit payment. For applications that do not require system modifications, a three-line diagram and site-specific testing procedure is required within thirty (30) Business Days after executing the Standardized Interconnection Contract.

#### **STEP 8: Project Construction.**

The applicant and PSEG Long Island shall collaborate to identify an in-service date and develop a project construction schedule. The applicant will build the facility in accordance with PSEG Long Island-accepted design and the project schedule. PSEG Long Island will commence construction/installation of system modifications and metering requirements as identified through the CESIR in Step 6. LIPA system modifications will vary in construction time depending on the extent of work and equipment required. The schedule for this work is to be discussed and agreed upon with the applicant in Step 6.

#### **STEP 9: The Applicant's Facility is tested in Accordance with the Standardized Interconnection Requirements.**

The verification testing will be performed in accordance with the written test procedures provided in Step 7 and any site-specific requirements identified by PSEG Long Island in Step 6. The final testing will be conducted within ten (10) Business Days of complete installation at a mutually agreeable time, and PSEG Long Island shall be given the opportunity to witness the tests. If PSEG Long Island opts not to witness the test, the applicant will send PSEG Long Island within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the SGIP, PSEG Long Island-accepted design, and the equipment manufacturer's instructions.

**STEP 10: Interconnection.**

The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 9. In addition, the applicant must have complied with and must continue to comply with the contractual and technical requirements.

**STEP 11: Final Acceptance and PSEG Long Island Cost Reconciliation.**

Except as provided in Appendix E, final project costs shall be reconciled pursuant to this section. If PSEG Long Island witnessed the verification testing, then, within ten (10) Business Days of the completion of such testing, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the installed DG system, ESS, or Hybrid Project. If PSEG Long Island did not witness the verification testing, then, within ten (10) Business Days of receiving the written test notification from Step 9, PSEG Long Island will either issue to the applicant a formal letter of acceptance for interconnection, or will request that the applicant and PSEG Long Island set a date and time to witness operation of the installed DG system, ESS or Hybrid Project. This witnessed verification testing must be completed within twenty (20) Business Days after being requested. Within ten (10) Business Days of the completion of any such witnessed testing, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the DG system, ESS or Hybrid Project.

At this time, PSEG Long Island shall prepare and submit to the applicant a final reconciliation statement of its actual costs minus any construction advance payments made by the applicant. Within twenty (20) Business Days after delivery of the reconciliation statement, the applicant will receive either a bill for any balance due or a reimbursement for overpayment as determined by PSEG Long Island's reconciliation. The applicant may contest the reconciliation with PSEG Long Island. If PSEG Long Island's final reconciliation invoice states a balance due from the applicant, unless it is challenged by a formal complaint interposed by the applicant, it shall be paid to PSEG Long Island within thirty (30) Business Days or PSEG Long Island reserves the right to lock the generating system offline. If PSEG Long Island's final reconciliation invoice states a reimbursement for overpayment to be paid by PSEG Long Island, unless the reimbursement amount is challenged by a formal complaint interposed by the applicant, it shall be paid to the applicant.

**Section I. D. Payment and Construction Milestones**

Applicants are responsible for payment of utility system modification cost estimates in accordance with the following rules and deadlines. All project costs will be subject to the provisions of Appendix E, where applicable.

The applicant shall pay PSEG Long Island 30% of the estimated costs within ninety (90) Business Days of receiving the cost estimate from PSEG Long Island. After receiving such payment, PSEG Long Island will provide the applicant a signed executed Standardized Interconnection Agreement via electronic communication. This will be provided within fifteen (15) Business Days for all projects sized five (5) megawatts and under.

If the applicant does not make a payment due under this section in the time required, the application shall be removed from PSEG Long Island's interconnection queue with no further action required of PSEG Long Island.

PSEG Long Island will refund any advance payments for services or construction activities that have not been expended should the applicant be removed from PSEG Long Island's interconnection queue. If the

costs incurred by PSEG Long Island exceed the advance payments made by the applicant prior to removal from the interconnection queue, the applicant will receive a bill for any balance due to PSEG Long Island and applicant shall pay PSEG Long Island within thirty (30) Business Days of receipt thereof.

PSEG Long Island is not required to procure any equipment or materials, or perform design and engineering work associated with the project or begin construction until a 30% deposit payment has been received. Progress payments will be required during construction, and any over or under recovery will be reconciled and invoiced to the Applicant after interconnection. Invoice payments are due within thirty (30) Business Days of receipt.

Within thirty (30) Business Days of receiving the first 30% payment, PSEG Long Island shall provide an initial construction schedule to the applicant (consistent with Appendix K). PSEG Long Island shall commence design work in accordance with its guidance and consider the developer's input on scheduling. If the applicant does not make a payment due under this section in the time required, the application shall be removed from the PSEG Long Island's interconnection queue with no further action required of PSEG Long Island. Within 10 Business Days of completion of design work, PSEG Long Island will provide an updated upgrade cost estimate if the scope of work changed from the CESIR estimate.

If the applicant withdraws or is removed from the interconnection queue at any point after making a payment required under this section, any unspent portions of these payments will be refunded to the applicant consistent with the timelines described in Section I. C, Step 11.

If a local permitting moratorium prevents an applicant from meeting the above timelines, PSEG Long Island may grant affected project applicants an extension. To be granted an extension of the required timelines, the applicant must submit the New York State Standard Moratorium Attestation Form, Appendix I. If applicable, any unused portion of the 30% payment shall be refunded if the project does not move forward after receiving an extension.

If the final acceptance as set out in Section I. C, Step 11 is not completed within twelve (12) months of the date the applicant returns the executed Standardized Interconnection Contract in Appendix A as a result of applicant inactivity, PSEG Long Island has the right to notify the applicant by email or U.S. first class mail with delivery receipt confirmation that the applicant's project will be removed from the PSEG Long Island's interconnection queue if the applicant does not respond within thirty (30) Business Days of the issue of such notification and provide a project status update and/or justification as to why the project should remain in the PSEG Long Island's interconnection inventory for an additional period of time.

### **Section I. E. Application Process for Energy Storage Systems**

Except as provided in this Section, the rules in Sections I.B and I.C shall apply to applications to: construct new Hybrid Projects; construct new stand-alone storage; add an ESS to an existing DG facility; and change the operating mode of an existing Hybrid Project or stand-alone storage facility. Whether an application will be handled under Section I.B or I.C will be determined by the sum of the AC nameplate ratings of all DG facilities and ESS facilities comprising the proposed Hybrid Project

#### **Step 1: The Application**

An applicant proposing a Hybrid Project or stand-alone ESS shall complete and submit Appendix J with Appendix F.

The owner of an existing DG facility may apply to add an ESS by submitting completed Appendix J to PSEG Long Island at any time.

For all projects involving ESS, PSEG Long Island shall review the application and respond within the time frames provided in Section I.B or I.C, as applicable.

Following interconnection of a Hybrid Project or a stand-alone ESS, the applicant may apply to PSEG Long Island to change the operating characteristics of the storage component. To initiate review, the applicant shall submit a completed Appendix J specifying the proposed new operating characteristics to PSEG Long Island.

### **Step 2: Protection and Control Review**

When performing screening analysis and system impact studies associated with ESS, operating characteristics including maximum export and import capacity shall be utilized, except that fault current contribution shall be evaluated based on aggregate AC nameplate rating. PSEG Long Island's technical review shall determine whether the proposed facility, operating per the characteristics identified in the application (Appendix J), can be safely and reliably interconnected to LIPA's distribution system. The applicant shall pay the costs for the utility's review in advance.

Following the completion of Step 3 in Section I.B., or upon passing the Preliminary or Supplemental Screening Analysis in Step 4 in Section I.C. based on the application and proposed operating parameters, PSEG Long Island will determine if a Protection and Control Review is required. PSEG Long Island will notify the applicant of this determination. The applicant will have thirty (30) Business Days from the notification to pay the nonrefundable fee for the review, which shall be calculated as \$500 plus \$4/kW capped at \$3,000. PSEG Long Island shall have twenty (20) Business Days to perform the review and provide the results to the applicant, including a description of any modifications to the control systems that PSEG Long Island determines are necessary.

Within ten (10) Business Days of an applicant's request, PSEG Long Island shall discuss the results of the Protection and Control Review. Following the discussion, the applicant will have twenty (20) Business Days to determine whether or not to accept any required modifications to the control system and take the next step in the process as defined in Section I.B or I.C, as applicable, or to withdraw the application.

For all applications relating to ESS, PSEG Long Island's written report of its technical review shall include a completed Attachment I, as defined below, specifying the operating parameters studied for the proposed facility. PSEG Long Island and the applicant shall discuss the listed operating parameters promptly after delivery of the study results to the applicant.

For ESS applications requiring a CESIR, PSEG Long Island will provide the applicant with any additional testing procedures required in connection with the ESS, using the applicant's load management control systems to limit reverse power. PSEG Long Island will provide this information with the CESIR results.

### **Step 3. Contract and Payment for Utility Construction Costs**

An applicant proposing a Hybrid Project, stand-alone storage, or the addition of ESS to an existing DG facility shall execute the Standardized Interconnection Contract for Systems including Energy Storage, and make payment to PSEG Long Island for its estimated construction costs within the time required by Section I.D.

Each contract shall include a completed Attachment I, which shall specify the operating parameters for the interconnected ESS after consultation with the applicant.

An applicant proposing to change the operating characteristics listed in Appendix J for an existing ESS shall sign an amendment to its interconnection agreement and make payment for any PSEG Long Island construction costs within the time required by Section I.D.

### **Section I. F. Rules for Combining DG Applications**

Distributed Generation applications that have been determined to be complete and that meet the following criteria may be combined:

- (a) the applications must be sequential in PSEG Long Island's queue on both the circuit and substation bus, or non-sequential combined applications may proceed with the lower queue position;
- (b) there can be no non-SGIP applications in PSEG Long Island's queue between the applications that propose to aggregate;
- (c) the proposed projects must be located on the same or adjacent parcels;
- (d) both applications must be compensated at the same rate and; and
- (e) the size of the combined projects may not exceed an AC nameplate rating of 5 MW.

If none of the applications has reached the deadline for payment of 30% of the estimated PSEG Long Island construction costs necessary for its interconnection, the applicant(s) may ask PSEG Long Island to perform a technical review of the applications as a combined project. The applicant(s) shall submit its request in writing to PSEG Long Island, which shall cease any ongoing work on the individual applications and notify the applicant(s) within ten (10) Business Days of any additional information that is needed to perform the requested analysis and of the fee that will be charged. PSEG Long Island shall apply any unspent study fees related to the individual applications to the charge for the new study. The applicant(s) shall pay the fee and provide the information sought by PSEG Long Island within ten (10) Business Days of the notification. The construction cost payment due dates for the applications that are proposed to combine will be suspended until a new due date is established pursuant to this Section.

If any of the applications proposed to be combined has made a payment for estimated PSEG Long Island construction costs, the applicant(s) may still submit a request to study them as a combined project as provided above. Any additional payment due dates associated with the applications shall be suspended until a new due date is established. PSEG Long Island shall cease work on the individual applications and shall cancel any procurements that the applicant(s) agree should be cancelled. The applicant(s) shall bear any cost associated with such cancellations. PSEG Long Island shall notify the applicant(s) of any information that is needed to perform the requested analysis and of the fee that will be charged for the study within ten (10) Business Days of receiving the request. The applicant(s) shall pay the fee and provide the information sought by PSEG Long Island within ten (10) Business Days of the notification.

PSEG Long Island shall have sixty (60) Business Days from receipt of the fee and the project information to perform the technical review of the combined applications. PSEG Long Island's report of the results shall provide the information specified in Step 6 of Section I.C to the applicant(s). The applicant(s) may: (1) proceed to construct the combined project; (2) resume the interconnection of the separate applications; or (3) withdraw one or more of the applications. If the applicant(s) selects option (1), payment for the estimated PSEG Long Island construction costs shall be due sixty (60) Business Days after receipt of the results of the technical review. If the applicant(s) selects either option (2) or (3), payment of the construction cost associated with the applications that are to continue to interconnect shall be due within the same time period. If the applicant(s) does not meet these deadlines, the applications shall be deemed withdrawn with no further action required by PSEG Long Island.



## **Section I. G. Application Process (Study Process) Steps for Systems above 5 MW and less than 10 MW**

### Applicability:

- i. The Study Process shall be used by an Interconnection Customer proposing to interconnect or modify its Small Generator with LIPA's Distribution System, if the Small Generator, upon interconnection or after modification, is above 5 MW and less than 10 MW.<sup>2</sup> The Interconnection Studies conducted under these procedures shall consist of analyses designed to identify the Interconnection Facilities and Upgrades required for the reliable interconnection of the Small Generator to the LIPA Distribution System. These Interconnection Studies will be performed in accordance with Applicable Reliability Standards.
- ii. The study process shall determine the appropriate distribution voltage level for the interconnection of the new distributed generation facilities.

# Consideration

### **STEP 1: Initial Communication from the Potential Applicant.**

Communication could range from a general inquiry to a completed application.

### **STEP 2: The Inquiry is reviewed by PSEG Long Island to Determine the Nature of the Project.**

# Postponed

Technical staff from PSEG Long Island discusses the scope of the interconnection with the potential applicant (either by phone, email or in person) to determine what specific information and documents (such as an application, contract, technical requirements, specifications, listing of qualified type-tested equipment/systems, application fee information, applicable rate schedules, and metering requirements) will be provided to the potential applicant. The preliminary technical feasibility of the project at the proposed location may also be discussed at this time. All such information and a copy of the standardized interconnection requirements must be sent to the applicant within three (3) Business Days following the initial communication from the potential applicant, unless the potential applicant indicates otherwise. A PSEG Long Island representative will be designated to serve as the single point of contact for the applicant (unless PSEG Long Island informs the applicant otherwise) in coordinating the potential applicant's project with PSEG Long Island.

### **STEP 3: Potential Applicant Files an Application.**

The potential applicant submits an application to PSEG Long Island. The submittal must include the completed standard Interconnection Request application form, including a copy of equipment certification to UL 1741 as applicable, a three line diagram specific to the proposed system, a letter of authorization (if applicant is agent for the customer), and payment of a non-refundable \$750 application fee. Within five (5) Business Days of receiving the application, PSEG Long Island will notify the applicant of receipt and whether the application has been completed adequately. It is in the best interest of the applicant to provide PSEG Long Island with all pertinent technical information as early as possible in the process. If the required documentation is presented in this step, it will allow PSEG Long Island to perform the required reviews and allow the process to proceed as expeditiously as possible.

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<sup>2</sup> New distributed generation facilities 10 MW and above must connect to LIPA's transmission system and comply with the NYISO Small Generator Interconnection Procedures or Large Generator Interconnection Procedures, as applicable.

#### **STEP 4: Scoping Meeting**

4.1 A scoping meeting will be held within ten (10) Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. PSEG Long Island and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.

4.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether PSEG Long Island should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, PSEG Long Island shall provide the Interconnection Customer, as soon as possible, but not later than five (5) Business Days after the scoping meeting, a feasibility study agreement (Appendix P1) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

4.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within fifteen (15) Business Days. If the Parties agree not to perform a feasibility study, PSEG Long Island shall provide the Interconnection Customer, no later than five (5) Business Days after the scoping meeting, a system impact study agreement (Appendix Q1) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

#### **STEP 5: Feasibility Study**

5.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generator.

5.2 A deposit of the lesser of fifty (50%) percent of the good faith estimated feasibility study costs or earnest money of \$10,000 is required from the Interconnection Customer.

5.3 The scope of and cost responsibilities for the feasibility study are described in Appendix P1.

5.4 If the feasibility study shows no potential for adverse system impacts, PSEG Long Island shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, PSEG Long Island shall send the Interconnection Customer an executable interconnection agreement within five (5) Business Days.

5.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

#### **STEP 6: System Impact Study**

6.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generator were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

6.2 If no transmission system impact study is required, but potential electric power distribution system adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. PSEG Long Island shall send the Interconnection Customer a distribution system impact study agreement (Appendix Q1) within fifteen (15) Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.

6.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five (5) Business Days following transmittal of the study report, PSEG Long Island shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.

6.4 If a transmission system impact study is not required, but electric power distribution system adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, PSEG Long Island shall send the Interconnection Customer a distribution system impact study agreement.

6.5 If the feasibility study shows no potential for transmission system or distribution system adverse system impacts, PSEG Long Island shall send the Interconnection Customer either a facilities study agreement (Appendix R1), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

6.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within thirty (30) Business Days.

6.7 A deposit of the good faith estimated costs for each system impact study will be required from the Interconnection Customer.

6.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.

### **STEP 7: Facilities Study**

7.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five (5) Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.

7.2 In order to remain under consideration for interconnection, or, as appropriate, in PSEG Long Island's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within thirty (30) Business Days.

7.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

7.3.1 PSEG Long Island shall determine whether the interconnection impacts the New York Transmission System and requires System Upgrade Facilities.

7.3.2 The Interconnection Customer shall be responsible for the cost of any System Upgrade Facilities only if PSEG Long Island, based on an Interconnection Study, determines (i) that System Upgrade Facilities are necessary to accommodate the Interconnection Request.

If the Interconnection Customer elects Capacity Resource Interconnection Service, and its Small Generator is larger than 5 MW, it will be evaluated, by the NYISO, as a member of the next Class Year to determine the Interconnection Customer's responsibility for System Deliverability Upgrades in accordance with the NYISO interconnection process.

7.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. PSEG Long Island may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and PSEG Long Island may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by PSEG Long Island, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, PSEG Long Island shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

7.5 A deposit of the good faith estimated costs for the facilities study will be required from the Interconnection Customer.

7.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.

7.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, PSEG Long Island shall provide the Interconnection Customer an executable interconnection agreement within five (5) Business Days.

#### **STEP 8: Applicant Commits to PSEG Long Island Construction of LIPA's System Modifications.**

The applicant shall pay PSEG Long Island 30% of the estimated costs within ninety (90) Business Days of receiving the cost estimate as identified in Step 7 from PSEG Long Island. ~~After receiving the payment, PSEG Long Island will provide the applicant an signed-executed-Standardized-Interconnection Agreement as set forth in Appendix via electronic communication. The applicant and PSEG Long Island will execute an interconnection agreement, as set forth in Appendix M. The applicant will sign and return the contract to the PSEG Long Island within ninety (90) Business Days. If the applicant does not return the signed contract within this period, the application shall be removed from PSEG Long Island interconnection queue, and no further action on the part of PSEG Long Island is required.~~

If the applicant does not make a payment due under this section in the time required, the application shall be removed from the PSEG Long Island's interconnection queue with no further action required of PSEG Long Island.

**STEP 9: Project Construction.**

The applicant will build the facility in accordance with PSEG Long Island-accepted design. PSEG Long Island will commence construction/installation of system modifications and metering requirements as identified in Step 7. LIPA system modifications will vary in construction time depending on the extent of work and equipment required. The schedule for this work is to be discussed and agreed upon with the applicant in Step 7.

**STEP 10: The Applicant's Facility is tested in Accordance with the Standardized Interconnection Requirements.**

The verification testing will be performed in accordance with the written test procedure provided in Step 5 and any site-specific requirements identified by PSEG Long Island in Step 6. The final testing will be conducted within ten (10) Business Days of complete installation at a mutually agreeable time, and PSEG Long Island shall be given the opportunity to witness the tests. If PSEG Long Island opts not to witness the test, the applicant will send PSEG Long Island within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the SGIP, PSEG Long Island-accepted design, and the equipment manufacturer's instructions.

**STEP 11: Interconnection.**

The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 10. In addition, the applicant must have complied with and must continue to comply with the contractual and technical requirements.

**STEP 12: Final Acceptance and PSEG Long Island Cost Reconciliation.**

If PSEG Long Island witnessed the verification testing, then, within ten (10) Business Days of the test, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system. If PSEG Long Island did not witness the verification testing, then, within ten (10) Business Days of receiving the written test notification from Step 9, PSEG Long Island will either issue to the applicant a formal letter of acceptance for interconnection, or will request that the applicant and PSEG Long Island set a date and time for an on-site verification and witness operation of the system. This joint on-site verification must be completed within twenty (20) Business Days after being requested. Within ten (10) Business Days of the completion of the on-site verification, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system. PSEG Long Island will reconcile its actual costs related to the applicant's project against the payments made by the applicant. The applicant will receive either a bill for any balance due or a reimbursement for overpayment as determined by PSEG Long Island's reconciliation after PSEG LI finishes the final reconciliation process.

If the final acceptance as set out in Section I. G, Step 12 is not completed within twelve (12) months from the date the applicant returns the executed Standardized Interconnection Agreement, PSEG Long Island has the right to notify the applicant of inactivity by email or U.S. first class mail with delivery receipt confirmation. The applicant's project will be removed from the PSEG Long Island's interconnection queue if the applicant does not respond within thirty (30) Business Days from the issuance of such notification and provide a project status update and/or justification as to why the project should remain in the PSEG Long Island's interconnection inventory for an additional period of time.

**Section I. H. Web-Based Standard Interconnection Application and Information (If available)**

PSEG Long Island shall implement and maintain a web-based system to provide customers and contractors current information regarding the status of their SGIP application process. The system shall be customer specific and post the current status of the SGIP process. At a minimum the following content shall be provided:

- (1) The applicant's name and project/application identification number.
- (2) Description of the project, including at a minimum, the project's type (energy source), size, metering, and location.
- (3) SGIP project application status, including all the steps completed and to be completed, along with corresponding completion/deadline dates associated with each step.
  - a. If the next action is to be taken by PSEG Long Island, the expected date that action will be completed.
  - b. If the next action is to be taken by the applicant, what exactly is required and a contact for more information.
- (4) Information regarding any outstanding information request made by PSEG Long Island of the applicant, and
- (5) The status of all amounts paid and/or due to PSEG Long Island by the applicant.

Access shall be available for the customer and their contractor, such that both can access the information. The web site must be, however, secure and private from unauthorized access.

The PSEG Long Island web site shall also provide the ability for applicants to submit their application for interconnection via the web. The web based application process will be consistent with the SGIP and will include the ability to attach associated documentation or drawings associated with each project. Electronic signatures will be accepted by PSEG Long Island on associated documentation for this process.

#### Section I. J. Modifications

Applicants may propose a Modification at any time by submitting a request to PSEG Long Island through PSEG Long Island's on-line application portal and/or via email. Submission of such a request will not suspend any deadlines applicable to the pending application. PSEG Long Island will review the request to determine whether the proposed Modification is a Material Modification and provide its determination to the applicant within ten (10) Business Days, unless PSEG Long Island first notifies the applicant that additional information is needed to make the evaluation. In that case, PSEG Long Island will have ten (10) Business Days from receipt of the additional information to determine whether the proposed Modification is a Material Modification.

A Material Modification to a project will require a new application, a new queue position, and removal of the original application if the applicant elects to move forward with the modification (if not yet interconnected).

PSEG Long Island reserves the right to make the final determination as to whether a proposed change is a Material Modification under its SGIP.

When making the materiality determination, PSEG Long Island will consider the PSEG Long Island posted Guidance Document on DER Material Modifications Guidance, as it may be modified by PSEG Long Island from time to time, and will provide the applicant with a written explanation of its finding. At the applicant's request, PSEG Long Island will meet with the applicant to discuss the materiality determination. The document can be found at the following link:

<https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/sgip>

A Modification that is not determined to be material may still require evaluation and acceptance by PSEG Long Island through the process described below. The applicant is obligated to pay any necessary study costs of the evaluation. PSEG Long Island will notify the applicant of any additional funding and/or information that may be required to evaluate the Modification within five (5) Business Days of providing the materiality determination. The applicant shall have ten (10) Business Days to provide any requested information and pay the associated fees or choose to remain with the original interconnection application with associated uninterrupted timeline.

For Projects under 5 Megawatts:

- If the proposed change is not a Material Modification, and is proposed prior to the start of a CESIR, PSEG Long Island will study the modified project in the CESIR process.
- If the proposed change is not a Material Modification and is proposed following the start of a CESIR but no later than forty (40) Business Days after the start date, PSEG Long Island may have an additional forty (40) Business Days to complete the CESIR incorporating the change.
- If the proposed change is not a Material Modification and is proposed at a later date, or after completion of a CESIR, the change may necessitate further study and will require mutual agreement between LIPA and the applicant. PSEG Long Island retains the right to determine the extent of evaluation necessary but will endeavor to complete any necessary study within a timeframe no longer than a standard CESIR. The applicant will be responsible for any costs related to the change.

For Projects 5 Megawatts and larger:

- If the proposed change is not a Material Modification, and is proposed prior to the start a scoping meeting, PSEG Long Island will complete the study on the modified project.
- If the proposed change is not a Material Modification and is proposed at a later date, or after completion of all studies, the change may necessitate further study and will require mutual agreement between LIPA and the applicant. PSEG Long Island retains the right to determine the extent of evaluation necessary but will endeavor to complete any necessary study within a timeframe no longer than a standard study time frame. The applicant will be responsible for any costs related to the change.

## Section II. Interconnection Requirements

### Section II.A. Provisions that Apply to All Interconnection Requests

**All interconnection requests made pursuant to these Procedures shall be subject to the following terms:**

1. **Compliance with Deadlines:** PSEG Long Island shall make reasonable efforts to meet all time frames provided in these procedures unless PSEG Long Island and the Interconnection Customer agree to a different schedule. If PSEG Long Island cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.
2. **Meter Installation:** Any metering necessitated by the use of the Small Generator shall be installed at the Interconnection Customer's expense in accordance with PSEG Long Island's specifications.
3. **Queue Position:** PSEG Long Island shall maintain a single queue for requests to interconnect to LIPA's Distribution System by a Small Generator. PSEG Long Island shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. At PSEG Long Island's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.
4. **Withdrawal of Application:** The applicant may withdraw its application at any time by written notice of such withdrawal to PSEG Long Island. Such withdrawal will not relieve the applicant from any costs incurred by PSEG Long Island to process the application up to the time of withdrawal.
5. **Effect of Modification to Machine Data or Equipment Configuration:** Any modification to machine data or equipment configuration or to the interconnection site of the Small Generator not agreed to in writing by PSEG Long Island and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.
6. **Infrastructure Security:** Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. PSEG Long Island complies with the recommendations offered by the President's Critical Infrastructure Protection Board (established by Executive Order 13231 of October 16, 2001) and best practice recommendations from the electric reliability authority. All small generators interconnecting to LIPA's facilities shall meet applicable standards for electric system infrastructure and operational security, including physical, operational and security practices.

In addition to any other requirements set forth in the SGIP regarding confidential information, Interconnection Customer shall comply with PSEG Long Island's requirements, as they may change from time to time, for protecting and maintaining the



confidentiality of Critical Energy Infrastructure Information, as defined in 18 CFR Section 388.113, as it may be amended from time to time, and execute such Non-Disclosure Agreements as may be required by PSEG Long Island.

7. **NYISO Matters:**

- a. PSEG Long Island shall notify the NYISO of all interconnection requests over 2 MW that are determined to have an impact on the New York Transmission System and require System Upgrade Facilities as determined pursuant to Section II of these procedures.
- b. A new Small Generator whose output may be sold into the wholesale energy, capacity and ancillary services markets operated by the NYISO must make an election as to whether it will interconnect on a minimum interconnection basis pursuant to Energy Resource Interconnection Service or whether it will elect Capacity Resource Interconnection Service and satisfy the NYISO Deliverability Interconnection Standard.
- c. PSEG Long Island shall notify the NYISO of all interconnection requests electing Capacity Resource Interconnection Service and coordinate with the NYISO regarding necessary studies, procedures and standards applicable to such request.

8. **Site Control:** Documentation of site control must be submitted with the Interconnection Request. Site control may be demonstrated through:

- a. Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generator;
- b. An option to purchase or acquire a leasehold site for such purpose; or
- c. Exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

8. **Disputes:** The Parties agree to use their commercially reasonable efforts to settle promptly any disputes or claims arising out of or relating to this SGIP through negotiation conducted in good faith between executives having authority to reach such a settlement. Either Party, may, by written notice to the other Party, refer any such dispute or claim for advice or resolution to mediation by a suitable mediator. The mediator shall be chosen by the mutual agreement of the Parties. If the Parties are unable to agree on a mediator each Party shall designate a qualified mediator who, together with the mediator designated by the other, shall choose a single mediator for the particular dispute or claim. If the mediator chosen is unable, within thirty (30) days of such referral to reach a determination, then either party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.

- a. Unless otherwise agreed to in writing or prohibited by applicable law, the Parties shall continue to provide service, honor all commitments under these procedures, and continue to make payments in accordance with these procedures during the course of any dispute resolution under this Article and during the pendency of any action at law or in equity relating hereto.
- b. Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

Upon execution of a contract for interconnection between the Interconnection Customer and PSEG Long Island as set forth in Appendices A and M (as applicable), the dispute resolution terms of such contract shall govern all disputes between the parties to the interconnection contract.

## 10. Confidentiality

### a. Claim of Confidentiality

i. In connection with the application procedures and interconnection review requirements under Sections I and II, the Parties may exchange information that is deemed to be confidential whether such information is provided in written, oral, electronic or other format ("Confidential Information"). The Party disclosing such Confidential Information is referred to herein as the "Disclosing Party" and the Party receiving such Confidential Information is referred to herein as the "Receiving Party." The Disclosing Party shall mark all written Confidential Information as "Confidential," "Proprietary" or the like and in the case of Confidential Information that is communicated orally, the Disclosing Party shall within thirty (30) days follow up such communication with a writing addressed to the Receiving Party generally describing such information and identifying it as Confidential Information. The Parties acknowledge that all information disclosed by the Interconnection Customer in connection with costs, pricing or operation of the Small Generator shall be treated as Confidential Information whether or not such information is marked or identified as Confidential Information. PSEG Long Island shall not disclose such Confidential Information without Interconnection Customer's written consent, which may be withheld in Interconnection Customer's sole discretion, unless PSEG Long Island is otherwise required by law to make such disclosure.

ii. The Receiving Party shall protect the Confidential Information from disclosure to third parties consistent with the provisions of this Section II.A.10 and subject to applicable law, provided however, a Receiving Party may disclose Confidential Information (a) to its Affiliates, Lenders, employees, agents or representatives of such Receiving Party, where such Affiliate, Lender, employee, agent or representative expressly agrees to be bound by the terms of this Section II.A.10 and provided further that the Receiving Party shall be liable for any breach by its Affiliates, Lenders, employees, agents or representatives, or (b) if the Receiving Party is PSEG Long Island, the Receiving Party may disclose Confidential Information to the extent required by the cost-allocation procedures detailed in Appendix E.

iii. It is further understood and agreed that money damages would not be sufficient remedy for any breach of this Section II.A.10, and that if a Party breaches this Section II.A.10, the Party disclosing Confidential Information to such breaching Party shall be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach. The breaching Party agrees to waive any requirement for the posting of a bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Section II.A.10 but shall be in addition to all other remedies available at law or equity. In the event of any legal action based upon or arising out of this Section II.A.10, the

prevailing Party in such action shall be entitled to recover reasonable attorney's fees and costs from the other Party.

- b. Compliance with Law. If either Party is required by law to disclose Confidential Information of the other Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise), the Party required to make such disclosure will (i) notify the other Party and provide the other Party the opportunity to review the Confidential Information, and (ii) provide the other Party the opportunity to seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained or is not pursued within a reasonable period of time, the Party required to make disclosure or such Party's representatives will furnish only that portion of the Confidential Information that it is legally required to disclose and the Party required to make disclosure will request that confidential treatment be accorded the Confidential Information by relevant third parties.
- c. Compliance with the Freedom of Information Law. If PSEG Long Island is requested by a third party to disclose Confidential Information pursuant to the Freedom of Information Law ("FOIL"), PSEG Long Island will (i) notify Generator of the request and provide Generator the opportunity to review the Confidential Information; (ii) provide Generator the opportunity to provide information regarding the need for confidential treatment; (iii) evaluate the third party's request for disclosure and Generator's request for confidential treatment; and (iv) determine if the Confidential Information is subject to disclosure under FOIL. If PSEG Long Island determines that the Confidential Information is subject to disclosure, it will provide prompt written notice of such determination to Generator so that Generator may seek a protective order or other appropriate remedy. If Generator does not obtain a protective order or no formal proceeding has been initiated by Generator within a reasonable period of time after PSEG Long Island provides notice to Generator of its intent to make public the Confidential Information, then PSEG Long Island may disclose such information with no liability or further obligation to Generator.
- d. Treatment of Otherwise Publicly Available Documents. Notwithstanding anything to the contrary in this Article, neither Party shall be required to hold confidential any information that (i) becomes publicly available other than through disclosure by the Receiving Party; (ii) is independently developed by the Receiving Party; or (iii) becomes available to the Receiving Party without restriction from a third party, provided that such third party is not bound by a confidentiality agreement with the Disclosing Party or its representatives. Should any person or entity seek to legally compel a Receiving Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise) to disclose any Confidential Information, the Receiving Party will provide the Disclosing Party prompt written notice so that the Disclosing Party may seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained, the Receiving Party or the Receiving Party's representative will furnish only that portion of the Confidential Information that it is legally required to disclose and the Receiving Party will request that confidential treatment be accorded the Confidential Information by relevant third parties.
- e. Term of Confidentiality. The obligations set forth in this Article shall survive expiration or termination of this Agreement.
11. **Application of Industry Electrical Standards.** Where the interconnection requirements set forth in Sections I and II refer to an industry electrical standard, including standards

adopted or promulgated by Underwriters Laboratories (UL), the Institute of Electrical and Electronics Engineers (IEEE) and American National Standards Institute (ANSI) the applicable standard will be the version of that designated standard that is in effect on the date upon which the Interconnection Customer submits, and PSEG Long Island receives, a completed application for interconnection with PSEG Long Island's Distribution System.

12. **Standard Contract Terms.** Standard contract terms have been established for the contract for interconnection of a Small Generator between 0 kW and 5 MW set forth in Appendix A and the interconnection agreement for a Small Generators sized more than 5 MW and less than 10 MW set forth in Appendix M. The contract for interconnection is a standard form that will be executed by PSEG Long Island and the Interconnection Customer in the form set forth in Appendix A and only supplemented as noted within such form with information specific to the Small Generator and Interconnection Customer.

**Consideration Postponed**

With respect to the execution of an interconnection agreement for a Small Generator more than 5 MW and less than 10 MW as set forth in Appendix M, any technical standards and requirements set forth in such agreement shall not be modified to be inconsistent with requirements of Sections I and II herein. With respect to all other terms of the interconnection agreement, modifications of such non-technical terms shall be limited to those necessary to reflect any specific circumstances of the proposed Small Generator (such as the status of the Interconnection Customer as a governmental entity). PSEG Long Island reserves all rights and is under no obligation to accept requests for modification of the standard contract terms set forth in Appendix A or M.

The obligations under the Appendix A (Long Island Lighting Company D/B/A LIPA Standardized Contract for Interconnection of Distributed Generation and/or Energy Storage Equipment with Capacity of 5 MW or Less Connected in Parallel with the LIPA Distribution Systems), shall be binding on any successor owner of the Unit. If the Unit is sold LIPA may require the new Unit owner to sign an amended agreement.

## Section II.B. Design Requirements

### Common

The generator-owner shall provide appropriate protection and control equipment, including a protective device that utilizes an automatic disconnect device that will disconnect the generation in the event that the portion of the LIPA System that serves the generator is de-energized for any reason or for a fault in the generator-owner's system. The generator-owner's protection and control equipment shall be capable of automatically disconnecting the generation upon detection of an islanding condition and upon detection of a LIPA system fault.

The type and size of the generation facility is based on electrical generator nameplate data (AC output).

The generator-owner's protection and control scheme shall be designed to ensure that the generation remains in operation when the frequency and voltage of the LIPA System is within the limits specified by the required operating ranges. Upon request from PSEG Long Island, the generator-owner shall provide documentation detailing compliance with the requirements set forth in this document.

The specific design of the protection, control and grounding schemes will depend on the size and characteristics of the generator-owner's generation, as well the generator-owner's load level, in addition to the characteristics of the particular portion of LIPA's system where the generator-owner is interconnecting.

The generator-owner shall have, as a minimum, an automatic disconnect device(s) sized to meet all applicable local, state, and federal codes and operated by over and under voltage and over and under frequency protection. For three-phase installations, the over and under voltage function should be included for each phase and the over and under frequency protection on at least one phase. All phases of a generator or inverter interface shall disconnect for voltage or frequency trip conditions sensed by the protective devices. Voltage protection shall be wired phase to ground for single phase installations and for applications using wye grounded-wye grounded service transformers.

The settings for single-phase and three-phase applications using wye grounded-wye grounded service transformers or wye grounded-wye grounded isolation transformers are listed in PSEG Long Island's Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA's Distribution System. For applications using other transformer connections, a site-specific review will be conducted by PSEG Long Island.

The requirements set forth in this document are intended to be consistent with those contained in IEEE STD 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems. The requirements in IEEE STD 1547 above and beyond those contained in this document shall be followed.

Please refer to PSEG Long Island's Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA's Distribution System for technical requirements for interconnection of DG in parallel with LIPA's Distribution System. Applicant shall comply with PSEG Long Island's Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA's Distribution System document, as it may be modified by LIPA from time to time. The document can be found at the following link:

<https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/sgip>

### **Interconnection Inventory**

PSEG Long Island periodically provides information to the NYS Department of Public Service regarding PSEG Long Island's SGIP inventory.

### **Section III. Glossary of Terms**

**Affected System:** An electric system, other than LIPA's Transmission System, that may be affected by the proposed interconnection.

**Applicable Reliability Standards:** The applicable criteria, requirements and guidelines of the North American Electric Reliability Council, the Northeast Power Coordinating Council, the New York State Reliability Council and related and successor organizations as well as the reliability criteria, requirements and guidelines adopted by PSEG Long Island and/or LIPA.

**Automatic Disconnect Device:** An electronic or mechanical switch used to isolate a circuit or piece of equipment from a source of power without the need for human intervention.

**Battery Energy Storage System ("BESS"):** A commercially-available mechanical, electrical, or electro-chemical means to store and release electrical energy, using battery chemistries for grid-scale applications (e.g., lithium-ion), and its associated electrical inversion device and control functions that may stand-alone or be paired with a distributed generator at a point of common coupling. BESS's shall comply with all ESS rules and requirements, unless otherwise specifically accepted.

**Business Day:** Monday through Friday, excluding PSEG Long Island holidays.

**Capacity Resource Interconnection Service:** The service provided to interconnect generating facilities in accordance with the NYISO Deliverability Interconnection Standard; as such term is defined and set forth in Attachment S of the NYISO OATT, in order to qualify such generator to be an installed capacity supplier to the NYISO wholesale capacity markets.

**Capital Investment Plan (“CIP”):** LIPA system upgrades that are identified in LIPA’s annual capital plan. Relevant upgrade information will be made available to authorized applicants subject to appropriate information security/confidentiality procedures.

**Cease to Energize:** Cessation of energy flow capability

**Coordinated Electric System Interconnection Review (“CESIR”):** Any studies performed by PSEG Long Island to ensure that the safety and reliability of the electric grid with respect to the interconnection of distributed generation as discussed in this document.

**Dedicated Transformer:** A transformer with a secondary winding that serves only one customer.

**Developer:** The applicant or the contractor identified in Appendix F as the agent for the customer. A single developer includes all legal entities associated or affiliated with a given company (“Affiliates”) where Affiliates means any person controlling, controlled by, or under common control with, any other person; where “control” shall mean the ownership of, with right to vote, 50 percent or more of the outstanding voting securities, equity, membership interests, or equivalent, of such person.

**Direct Transfer Trip:** Remote operation of a circuit breaker by means of a communication channel.

**Disconnect (verb):** To isolate a circuit or equipment from a source of power. If isolation is accomplished with a solid-state device, "Disconnect" shall mean to cease the transfer of power.

**Disconnect Switch:** A mechanical device used for isolating a circuit or equipment from a source of power.

**Distributed Energy Resources (“DER”):** Energy sources that consist of distributed generation facilities or energy storage systems or any combination thereof.

**Distributed Generation (“DG”):** Generation facilities and Energy Storage Systems supplementing on-site load or non-centralized electric power production facilities interconnected at the distribution side of an electric power system.

**Distribution System:** LIPA's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. Voltage levels at which Distribution Systems operate differ among areas.

**Distribution Upgrades:** The additions, modifications, and upgrades to LIPA's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generator and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

**Draw-out Type Circuit Breaker:** Circuit breakers that are disconnected by physically separating, or racking, the breaker assembly away from the switchgear bus.

**Electric Power System (“EPS”):** Refers to LIPA’s electric power system used to provide transmission and/or distribution services to its customers.

**Energy Storage System (“ESS”):** A commercially-available mechanical, electrical or electro-chemical means to store and release electrical energy, and its associated electrical inversion device and control functions that may stand-alone or be paired with a distributed generator at a point of common coupling.

**Energy Resource Interconnection Service:** The service provided to interconnect generating facilities on a minimum interconnection standard basis which enables the delivery of energy and ancillary services from the Small Generator into the NYISO wholesale markets.

**Farm Waste, Net Meter, Farm Applicant:** A farm applicant who is proposing to install a farm waste anaerobic digester generating system, not to exceed 1 MW, at a farm, per the requirements of LIPA Tariff for Electric Service.

**Force Majeure Event:** "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: terrorism, acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this procedure, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this procedure, other than the obligation to make payments then due or becoming due under this procedure, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible.

**Fuel Cell, Net Meter, Residential Applicant:** A residential applicant who is proposing to install a fuel cell electric generating system located and used at the applicant's premises, not to exceed a combined rated capacity of not more than 10 kW, per the requirements of LIPA Tariff for Electric Service.

**Fuel Cell, Net Meter, Non-Residential Applicant:** A non-residential applicant who is proposing to install a fuel cell electric generating system located and used at the applicant's premises, not to exceed a combined rated capacity of not more than 2 MW, per the requirements of LIPA Tariff for Electric Service.

**Generator-Owner:** An applicant to operate on-site power generation equipment in parallel with the LIPA grid per the requirements of this document.

**Good Utility Practice:** Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the State of New York during the term of this Agreement, or any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish the desired results at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practices is not

intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to delineate acceptable practices, methods or acts generally accepted by a significant portion of the electric utility industry operating in the State of New York.

**Hosting Capacity:** The amount of distributed energy that can be interconnected without requiring electric infrastructure upgrades or adversely affecting power quality or reliability under current configurations.

**Hybrid Project:** A facility that operates, or is planned to operate, as a distributed generator paired with an energy storage system at a point of common coupling.

**Interconnection Customer:** The owner of the Unit or any entity that proposes to interconnect with LIPA's Distribution System.

**Interconnection Facilities:** The equipment and facilities on LIPA's system necessary to permit operation of the Unit in parallel with LIPA's system.

**Interconnection Request:** The Interconnection Customer's request, in accordance with the SGIP, to interconnect a new Small Generator, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generator that is interconnected with LIPA's Transmission System.

**Interconnection Study:** The procedure for studying an Interconnection Request that includes CESIR study, Feasibility Study, System Impact Study, and/or Facilities Study.

**Islanding:** A condition in which a portion of the LIPA System that contains both load and distributed generation is isolated from the remainder of the LIPA System. (Adopted from IEEE 929.)

**LIPA System:** The electric transmission and distribution system owned by LIPA and operated by PSEG Long Island and consisting of all real and personal property, equipment, machinery, tools and materials, and other similar items relating to the transmission and distribution of electricity to PSEG Long Island's customers.

**LIPA Transmission System:** The facilities and equipment owned by LIPA, and operated by PSEG Long Island that are used to provide transmission service.

**Material Modification:** A Modification to a facility that may have adverse impacts on subsequently queued applications in the interconnection queue, or any Modification described below (regardless of impact to a queued project):

1. A change in the physical location of the DER such that the Property Owner Consent Form or Site Control Certification Form as required by the SGIP is no longer valid.
2. A change in the PCC to a location on a different line segment or different distribution feeder for projects interconnecting to LIPA's System.
3. An increase in the nameplate kVA or kW rating of the originally proposed distributed generation facility or energy storage system of more than 2%.

An additional distributed generation or energy storage system (other than the 2% increase in nameplate in item 3 above) not disclosed in the original application, where a separate and distinct distributed generation facility or energy storage system already exists behind the same proposed PCC. This would include existing non-disclosed distributed generation or energy storage systems or a request for additional distributed generation or energy storage systems at the project site.



**Maximum Export:** The maximum export capacity of an Energy Storage System to the distribution grid at the PCC communicated by the Applicant and studied as such by PSEG Long Island per its review of the impacts on the LIPA System based on the operating characteristic of the Energy Storage System.

**Maximum Import:** The maximum import capacity of an Energy Storage System from the distribution grid at the PCC communicated by the Applicant and studied as such by PSEG Long Island per its review of the impacts on the LIPA System based on the operating characteristic of the Energy Storage System.

**Micro-Combined Heat and Power, Net Meter, Residential Applicant:** A residential applicant who is proposing to install a micro-combined heat and power (Micro-CHP) generating system located and used at the applicant's premises, not to exceed 10 kW, per the requirements of LIPA Tariff for Electric Service.

**Micro-Hydroelectric, Net Meter, Residential Applicant:** A residential applicant who is proposing to install a micro-hydroelectric generating equipment located and used at the applicant's premises, not to exceed 25 kW, per the requirement of LIPA Tariff for Electric Service.

**Micro-Hydroelectric, Net Meter, Non-Residential Applicant:** A non-residential applicant who is proposing to install a micro-hydroelectric generating equipment located and used at the applicant's premises, not to exceed 2 MW, per the requirement of LIPA Tariff for Electric Service.

**Mobilization Threshold:** The minimum percentage of a Qualifying Upgrade cost that must be funded by Participating Projects to trigger PSEG Long Island to begin the construction process for the Qualifying Upgrade.

**Modification:** A change to the ownership, equipment, equipment ratings, equipment configuration, or operating characteristics\* of the facility, or to schedules\* associated with the facility as described in the application.

*\*NOTE: Modifications that alter operating characteristics or schedules may be deemed material. Please consult PSEG Long Island for review and resolution.*

**Multi-Value Distribution (“MVD”):** A transformer bank installation or replacement identified by PSEG Long Island in the Capital Investment Plan as a Multi-Value Distribution project.

**Net Metering Rules:** LIPA's Tariff for Electric Service leaves 34A through 34H, and all other provisions of the LIPA Tariff for Electric Service that apply to net metering.

**New York State Transmission System:** New York State Transmission System shall mean the entire New York State electric transmission system, which includes (i) the Transmission Facilities under ISO Operational Control; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.

**Participating Project:** A Triggering Project or a Sharing Project that benefits from and shares costs of a Qualifying Upgrade. A Participating Project must be greater than 50 kW AC nameplate rating in size but no greater than 5 MW AC nameplate rating. Where Participating Projects are projects all proposed by the same developer, within a six-month period, such projects must be greater than 50 kW AC nameplate rating in aggregate.

**PSEG Long Island:** Long Island Electric Utility Service LLC, a wholly owned subsidiary of PSEG Long Island LLC, acting as agent for LIPA. PSEG Long Island is also referred to in this SGIP as “T&D Manager.”

**PSEG Long Network Upgrades:** Additions, modifications, and upgrades to LIPA's Transmission System required at or beyond the point at which the Small Generator interconnects with LIPA's Distribution System. Network Upgrades do not include Distribution Upgrades.

**Party or Parties** means LIPA and Customer individually or jointly. T&D Manager is not a party to the agreements referenced in this SGIP, and is executing and administering such agreements on behalf of LIPA as LIPA's agent.

**Point of Common Coupling ("PCC"):** The point at which the interconnection between the electric utility and the customer interface occurs. Typically, this is the customer side of PSEG Long Island revenue meter.

**Point of Interconnection:** The point where the Interconnection Facilities connect with LIPA's Distribution System, which shall include the Point of Common Coupling.

**Preliminary Review:** A review of the generator-owner's proposed system capacity, location on the LIPA System, system characteristics, and general system regulation to determine if the interconnection is viable.

**Protective Device:** A device that continuously monitors a designated parameter related to the operation of the generation system that operates if preset limits are exceeded.

**Proactive 3V0:** A PSEG Long Island-initiated upgrade where PSEG Long Island installs 3V0 prior to any applicant payment and collects pro rata payments from interconnecting projects that utilize the upgrade.

**Qualifying Upgrade:** System modifications which result in an increase to the Hosting Capacity of LIPA's Distribution System beyond that required to interconnect a Triggering Project that can be shared by multiple Distributed Generation/Energy Storage System projects where the upgrade cost is greater than \$250,000.

**Qualifying Upgrade Disclosure:** An exhibit to the CESIR presenting the use case and specifics of a Qualifying Upgrade, including the technology option(s) considered to address the electric system impacts and total estimated Qualifying Upgrade cost and increase in Hosting Capacity as well as the resulting capacity increase in shared cost expressed in kW.

**Queue Position:** The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, which is established based upon the date and time of receipt of the valid Interconnection Request by PSEG Long Island.

**Remote Net Metering:** Remote Net Metering allows certain types of customers and/or distributed generation technology (see tables in Section II) the option to apply excess generation credits from the customer's generator to certain other meters on property that is owned or leased by the same customer and located within the service territory of the same utility to which the customer-generator's net energy meters are interconnected and within the same load zone.

**Required Operating Range:** The range of magnitudes of LIPA system voltage or frequency where the generator-owner's equipment, if operating, is required to remain in operation for the purposes of compliance with UL 1741. Excursions outside these ranges must result in the automatic disconnection of the generation within the prescribed time limits.

**Safety Equipment:** Includes dedicated transformers or equipment and facilities to protect the safety and adequacy of electric service provided to other customers.

**Sharing Project:** A project that benefits from and contributes to the cost of a Qualifying Upgrade holding an interconnection queue position after the Triggering Project.

**Solar, Net Meter, Residential Applicant:** A residential applicant who is proposing to install a photovoltaic generating system, not to exceed 25 kW, in an owner occupied residence per the requirements of LIPA Tariff for Electric Service.

**Solar, Net Meter, Non-Residential Applicant:** A non-residential applicant who is proposing to install a solar generating system located and used at the applicant's premises, not to exceed 2 MW, pursuant to LIPA Tariff for Electric Service

**Small Generator:** Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. Small Generator means the distributed generation facilities and Energy Storage System approved by the T&D Manager with a nameplate capacity of 5 MW or less located on the Interconnection Customer's premises at the time T&D Manager approves such generator for operation in parallel with LIPA's system.

**Stand-Alone Storage:** An energy storage system that is solely connected to a point of common coupling and not paired with a distributed generator.

**Study Process:** The procedure for evaluating an Interconnection Request that includes the Scoping Meeting, Feasibility Study, System Impact Study, and Facilities Study.

**System Upgrade Facilities:** In the case of proposed interconnection projects, System Upgrade Facilities are the modifications or additions to the existing New York State Transmission System that are required for the proposed project to connect reliably to the system in a manner that meets the NYISO interconnection standards.

**Triggering Project:** The application in the queue at a given substation or feeder whose proposed interconnection triggers the need for a Qualifying Upgrade.

**Unit:** The distributed generation facilities and Energy Storage System approved by the T&D Manager with a nameplate capacity of less than 10 MW located on the Interconnection Customer's premises at the time T&D Manager approves such Unit for operation in parallel with LIPA's system. This Agreement relates only to such Unit, but a new agreement shall not be required if the Interconnection Customer makes physical alterations to the Unit that do not result in an increase in its nameplate capacity. The nameplate generating and energy storage capacity of the Unit shall not exceed 10 MW in aggregate.

**Upgrades:** The required additions and modifications to LIPA's Distribution System or Transmission System at or beyond the Point of Interconnection. Upgrades may be System Upgrade Facilities, or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

**Utility Grade Relay:** A relay that is constructed to comply with, as a minimum, the most current version of the following standards for non-nuclear facilities:

Standard

Conditions Covered

<u>ANSI/IEEE C37.90</u>	Usual Service Condition Ratings Current and Voltage Maximum design for all relay AC and DC auxiliary relays Make and carry ratings for tripping contacts Tripping contacts duty cycle Dielectric tests by manufacturer Dielectric tests by user
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<u>ANSI/IEEE C37.90.1</u>	Surge Withstand Capability (SWC) Fast Transient Test
---------------------------	--

<u>IEEE C37.90.2</u>	Radio Frequency Interference
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<u>IEEE C37.98</u>	Seismic Testing (fragility) of Protective and Auxiliary Relays
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<u>Standard</u>	<u>Conditions Covered</u>
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<u>ANSI C37.2</u>	Electric Power System Device Function Numbers
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<u>IEC 255-21-1</u>	Vibration
---------------------	-----------

<u>IEC 2555-22-2</u>	Electrostatic Discharge
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<u>IEC 25 5-5</u>	Insulation (Impulse Voltage Withstand)
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Consideration  
Postponed

**Verification Test:** A test performed upon initial installation and repeated periodically to determine that there is continued acceptable performance.

**Wind, Net Meter, Residential Applicant:** A residential applicant who is proposing to install a wind electric generating system, not to exceed a combined rated capacity of 25 kW, located and used at the applicant's primary residence, per the requirements of LIPA Tariff for Electric Service.

**Wind, Net Meter, Non-Residential Applicant:** A non-residential applicant who is proposing to install a wind electric generating system located and used at the applicant's premises, not to exceed 2 MW, pursuant to LIPA Tariff for Electric Service.

**Wind, Net Meter, Farm Applicant:** A farm applicant who is proposing to install a wind electric generating system, not to exceed a combined rated capacity of 500 kW, located and used at the applicant's primary residence, per the requirements of LIPA Tariff for Electric Service.

APPENDIX A

**Appendix A- Standardized Interconnection Contract For Systems 5MW Or Less**

**LONG ISLAND LIGHTING COMPANY D/B/A LIPA  
STANDARDIZED CONTRACT  
FOR INTERCONNECTION OF DISTRIBUTED GENERATION AND/OR ENERGY STORAGE  
SYSTEMS  
WITH CAPACITY OF 5 MW OR LESS  
CONNECTED IN PARALLEL WITH THE LIPA DISTRIBUTION SYSTEM**

**Customer Information:**

**Utility Information:**

Name:

Name: Long Island Electric Utility Servco LLC  
("I&D Manager") acting as agent for and  
on behalf of LONG ISLAND LIGHTING  
COMPANY d/b/a LIPA ("LIPA")

Address:

Address: 175 E. Old Country Road, E.O.B  
Hicksville, NY 11801

Telephone:

Telephone: (516) 949-7004

Fax:

Email:

Email: PSEG-LI-PAMInterconnect@pseg.com

Installation Address (if different):

Account Number: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Unit Application/PAM No.

\_\_\_\_\_

Consideration  
Postponed

## APPENDIX A

### DEFINITIONS

**“Delivery Service”** means the services LIPA may provide to deliver capacity or energy generated or stored by the Interconnection Customer to a buyer to a delivery point(s), including related ancillary services.

**“Energy Storage System (“ESS”)** means a commercially-available mechanical, electrical or electro- chemical means to store and release electrical energy, and its associated electrical inversion device and control functions that may be stand-alone or paired with a distributed generator at a point of common coupling.

**“Interconnection Customer”** means the owner of the Unit or any entity that proposes to interconnect with LIPA’s Distribution System.

**“Interconnection Facilities”** means the equipment and facilities on LIPA’s system necessary to permit operation of the Unit in parallel with LIPA’s system.

**“Material Modification”** means a Modification to a Unit that may have adverse impacts on the LIPA’s system, LIPA customers, other projects, or applications in the interconnection queue.

**“Modification”** means a change to the ownership, equipment, equipment ratings, equipment configuration, or operating conditions of the Unit.

**“Net energy metering”** means the use of a net energy meter to measure, during the billing period applicable to a customer-generator, the net amount of electricity supplied by an electric corporation and provided to the corporation by a customer-generator. T&D Manager shall install an AMI smart meter for Net Metering customer-generator.

**“Premises”** means the real property where the Unit is located.

**“Smart Meter”** means advanced metering infrastructure (AMI). For additional information, refer to <https://www.psegliny.com/myaccount/serviceandrates/mysmartenergy/smartmeter>

**“Party”** or **“Parties”** means LIPA and Interconnection Customer either individually or collectively.

**“SGIP”** means the PSEG Long Island Small Generator Interconnection Procedures For Distributed Generators and Energy Storage Systems Less than 10 MW Connected in Parallel with LIPA’s Radial Distribution System which are applicable to new and modifications to existing distributed generation units with a nameplate capacity less than 10 MW connected in parallel with the LIPA distribution system, posted at <https://www.psegliny.com/files.cfm/SGIP.pdf>.

**“T&D Manager”** also referred to herein as **“PSEG Long Island,”** means Long Island Electric Utility Servco LLC, a wholly owned subsidiary of PSEG Long Island LLC, which has managerial responsibility for the day-to-day operational maintenance of, and capital investment to, the electric transmission and distribution system owned by LIPA as of January 1, 2014, pursuant to that Amended Restated Operations Services Agreement, dated as of December 31, 2013, as amended and restated by the Second Amended and Restated Operations Services Agreement (“OSA”) dated as of December 15, 2021, that became effective on April 1, 2022, or any successor or assignee thereof providing certain operation, maintenance and other services to LIPA. T&D Manager administers this Agreement on LIPA’s behalf as its agent.

## APPENDIX A

"Unit" means the distributed generation, stand-alone ESS, or combined generation and ESS facilities approved by the T&D Manager with a nameplate capacity of 5 MW or less located on the Interconnection Customer's premises at the time T&D Manager approves such Unit for operation in parallel with LIPA's system. This Agreement relates only to such Unit, but a new agreement shall not be required if the Interconnection Customer makes physical alterations to the Unit that do not result in an increase in its nameplate capacity. The nameplate generating or inverter/converter rating of the Unit shall not exceed 5 MW in aggregate.

### I. TERM AND TERMINATION

**1.1 Term:** This Agreement shall become effective when executed by both Parties and shall continue in effect until terminated.

**1.2 Termination:** This Agreement may be terminated as follows:

- a. The Interconnection Customer may terminate this Agreement at any time, by giving T&D Manager and LIPA sixty (60) days' written notice.
- b. Failure by the Interconnection Customer to seek final acceptance by T&D Manager within twelve (12) months after completion of T&D Manager's construction process described in the SGIP shall automatically terminate this Agreement.
- c. Either Party may, by giving the other Party at least sixty (60) days' prior written notice, terminate this Agreement in the event that the other Party is in default of any of the material terms and conditions of this Agreement. The terminating Party shall specify in the notice the basis for the termination and shall provide a reasonable opportunity to cure the default.
- d. LIPA may, by giving the Interconnection Customer at least sixty (60) days' prior written notice, terminate this Agreement for cause. The Interconnection Customer's non-compliance with any modification to the SGIP, unless the Interconnection Customer's installation is "grandfathered," shall constitute good cause.

**1.3 Disconnection and Survival of Obligations:** Upon termination of this Agreement the Unit will be disconnected from LIPA's system. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

**1.4 Suspension:** This Agreement will be suspended during any period in which the Interconnection Customer is not eligible for delivery service from LIPA.

### II. SCOPE OF AGREEMENT

**2.1 Scope of Agreement:** This Agreement relates solely to the conditions under which LIPA and the Interconnection Customer agree that the Unit may be interconnected to and operated in parallel with LIPA's system.

**2.2 Electricity Not Covered:** Neither LIPA nor T&D Manager shall have any duty under this Agreement to account for, pay for, deliver, or return in kind any electricity produced by the Facility and delivered into LIPA's system unless the system is net metered pursuant to LIPA's Net Metering Rules.

## APPENDIX A

### III. INSTALLATION, OPERATION AND MAINTENANCE OF UNIT

**3.1 Compliance with SGIP:** Subject to the provisions of this Agreement, T&D Manager shall be required to interconnect the Unit to LIPA's system, for purposes of parallel operation, if T&D Manager accepts the Unit as in compliance with the SGIP. The Interconnection Customer shall have a continuing obligation to maintain and operate the Unit in compliance with the SGIP.

**3.2 Observation of the Unit - Construction Phase:** T&D Manager may, in its discretion and upon reasonable notice, conduct reasonable on-site verifications during the construction of the Unit. Whenever the T&D Manager chooses to exercise its right to perform observations herein it shall specify to the Interconnection Customer its reasons for its decision to perform the observation. For purposes of this paragraph and paragraphs 3.3 through 3.5, the term "on-site verification" shall not include testing of the Unit, and verification tests shall not be required except as provided in paragraphs 3.3 and 3.4.

**3.3 Observation of the Unit - Ten-day Period:** T&D Manager may conduct on-site verifications of the Unit and observe the execution of verification testing within a reasonable period of time, not exceeding ten (10) Business Days after system installation. The Interconnection Customer's Unit will be allowed to commence parallel operation upon satisfactory completion of the verification test. The Interconnection Customer must have complied with and must continue to comply with all contractual and technical requirements.

**3.4 Observation of the Unit - Post-Ten-day Period:** If T&D Manager does not perform an on-site verification of the Unit and observe the execution of verification testing within the ten-day period, the Interconnection Customer will send T&D Manager within five (5) days of the verification testing a written notification certifying that the Unit has been installed and tested in compliance with the SGIP, T&D Manager-accepted design and the equipment manufacturer's instructions. The Interconnection Customer may begin to produce energy upon satisfactory completion of the verification test. After receiving the verification test notification, T&D Manager, on behalf of LIPA will either issue to the Interconnection Customer a formal letter of acceptance for interconnection, or may request that the Interconnection Customer and T&D Manager set a date and time to conduct an on-site verification of the Unit and make reasonable inquiries of the Interconnection Customer, but only for purposes of determining whether the verification tests were properly performed. The Interconnection Customer shall not be required to perform the verification tests a second time, unless irregularities appear in the verification test report or there are other objective indications that the tests were not properly performed in the first instance.

**3.5 Observation of the Unit - Operations:** T&D Manager may conduct on-site verification of the operations of the Unit after it commences operations if T&D Manager has a reasonable basis for doing so based on its responsibility to provide continuous and reliable utility service or as authorized by the provisions of LIPA's Retail Electric Tariff relating to the verification of such installations generally.

**3.6 Costs of Interconnection Facilities:** During the term of this Agreement, T&D Manager shall design, construct and install the Interconnection Facilities. The Interconnection Customer shall be responsible for paying the incremental capital cost of such Interconnection Facilities attributable to the Interconnection Customer's Unit. Except as set forth in the "Operating Instructions" for the Unit, all costs associated with the operation and maintenance of the Interconnection Facilities after the Unit first produces energy shall be the responsibility of LIPA.

**3.7 Modifications to the Unit:** The Interconnection Customer may request a Modification at any time after commencement of parallel operation. T&D Manager shall evaluate the request and determine whether the proposed change is a Material Modification in accordance with the rules for requesting changes to applications in the SGIP. A Material Modification will be studied pursuant to the procedures



## APPENDIX A

in the SGIP for new applications. In the case of a non-material modification that is accepted by T&D Manager, the Parties will execute an amendment to this Agreement describing the Unit changes that have been approved.

### IV. DISCONNECTION OF THE UNIT

**4.1 Emergency Disconnection:** T&D Manager may disconnect the Unit, without prior notice to the Interconnection Customer (a) to eliminate conditions that constitute a potential hazard to Company personnel or the general public; (b) if pre-emergency or emergency conditions exist on the LIPA System; (c) if T&D Manager observes a hazardous condition relating to the Unit in an inspection; or (d) if the Interconnection Customer has tampered with any protective device. T&D Manager shall notify the Interconnection Customer of the emergency if circumstances permit. The Interconnection Customer shall notify T&D Manager promptly when it becomes aware of an emergency condition that affects the Unit that may reasonably be expected to affect the LIPA system.

**4.2 Non-Emergency Disconnection:** T&D Manager may disconnect the Unit, after notice to the responsible party has been provided and a reasonable time to correct, consistent with the conditions, has elapsed, if (a) the Interconnection Customer has failed to make available records of verification tests and maintenance of his protective devices; (b) the Unit system interferes with Company equipment or equipment belonging to other customers of LIPA; (c) the Unit adversely affects the quality of service of adjoining customers or (d) the Energy Storage System does not operate in compliance with the operating parameters and limits described in Appendix J of the SGIP except as set forth in the "Operating Instructions" for the Unit.

**4.3 Disconnection by Interconnection Customer:** The Interconnection Customer may disconnect the Unit at any time.

**4.4 LIPA Obligation to Cure Adverse Effect:** If, after the Interconnection Customer meets all interconnection requirements, the operations of LIPA are adversely affecting the performance of the Unit or the Interconnection Customer's premises, T&D Manager shall immediately take appropriate action to eliminate the adverse effect. If T&D Manager determines that LIPA needs to upgrade or reconfigure its system the Interconnection Customer will not be responsible for the cost of new or additional equipment beyond the point of common coupling between the Interconnection Customer and LIPA.

### V. ACCESS

**5.1 Access to Premises:** T&D Manager shall have access to the disconnect switch of the Unit at all times. At reasonable hours and upon reasonable notice consistent with Section III of this Agreement, or at any time without notice in the event of an emergency (as defined in paragraph 4.1), T&D Manager and LIPA shall have access to the Premises.

**5.2 Company and Interconnection Customer Representatives:** T&D Manager shall designate, and shall provide to the Interconnection Customer, the name and telephone number of a representative or representatives who can be reached at all times to allow the Interconnection Customer to report an emergency and obtain the assistance of T&D Manager. For the purpose of allowing access to the premises, the Interconnection Customer shall provide T&D Manager with the name and telephone number of a person who is responsible for providing access to the Premises.

**5.3 Company Right to Access Company-Owned Facilities and Equipment:** If necessary for the purposes of this Agreement, the Interconnection Customer shall allow LIPA or T&D Manager access to LIPA's equipment and facilities located on the Premises. To the extent that the Interconnection Customer

## APPENDIX A

does not own all or any part of the property on which LIPA is required to locate its equipment or facilities to serve the Interconnection Customer under this Agreement, the Interconnection Customer shall secure and provide in favor of LIPA or T&D Manager the necessary rights to obtain access to such equipment or facilities, including easements if the circumstances so require.

### VI. DISPUTE RESOLUTION

**6.1 Good Faith Resolution of Disputes:** Each Party agrees to attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner.

**6.2 Mediation:** If a dispute arises under this Agreement, and if it cannot be resolved by the Parties within ten (10) Business Days after written notice of the dispute, the parties agree to submit the dispute to mediation by a mutually acceptable mediator, in a mutually convenient location in New York State, in accordance with the then current CPR Institute for Dispute Resolution Mediation Procedure. The Parties agree to participate in good faith in the mediation for a period of up to ninety (90) days.

**6.3 Escrow:** If there are amounts in dispute of more than two thousand dollars (\$2,000), the Customer shall either place such disputed amounts into an independent escrow account pending final resolution of the dispute in question, or provide to LIPA an appropriate irrevocable standby letter of credit in lieu thereof; provided however, that an Interconnection Customer that is an agency or instrumentality of the Federal government, or an agency or instrumentality of the New York State government, shall not be required to place such disputed amounts into escrow if the establishment of such an escrow would be inconsistent with applicable Federal or State law or regulations.

### VII. INSURANCE

**7.1 Recommendation for Insurance:** The Interconnection Customer is not required to provide general liability insurance coverage as part of this Agreement, the SGIP, or any other LIPA requirement. Due to the risk of incurring damages however, LIPA recommends that every distributed generation customer protect itself with insurance.

**7.2 Effect:** The inability of LIPA to require the Interconnection Customer to provide general liability insurance coverage for operation of the Unit is not a waiver of any rights LIPA may have to pursue remedies at law against the Interconnection Customer to recover damages.

**7.3** With respect to an Interconnection Customer who owns and/or operates solar, Farm Waste, Micro-Combined-Heat-and-Power, Micro-Hydroelectric, Fuel Cell, Wind, or Hybrid Electric Generating Equipment (as these terms are defined in the LIPA Tariff), T&D Manager may require the Interconnection Customer to:

- (i) Comply with additional safety or performance standards in addition to those specified in the SGIP;
- (ii) Perform or pay for additional tests;
- (iii) Purchase additional liability insurance when the total rated generating capacity of the electric generating equipment that provides electricity to LIPA through the same local feeder line exceeds twenty (20%) of the rated capacity of the total feeder line.

### VIII. MISCELLANEOUS PROVISIONS

**8.1 Beneficiaries:** This Agreement is intended solely for the benefit of the parties hereto, and if a party is an agent, its principal. Nothing in this Agreement shall be construed to create any duty to, or

## APPENDIX A

standard of care with reference to, or any liability to, any other person. T&D Manager is not a party to this Agreement, and is executing and administering this agreement on behalf of LIPA as LIPA's agent. T&D Manager shall have all rights of a Party hereunder with respect to accuracy of information, Force Majeure, limitations of liability, indemnification, and disclaimers of warranty.

**8.2 Severability:** If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion or provision shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

**8.3 Entire Agreement:** This Agreement constitutes the entire Agreement between the parties and supersedes all prior agreements or understandings, whether verbal or written.

**8.4 Waiver:** No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. In the event that any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

**8.5 Applicable Law:** This Agreement shall be governed by and construed in accordance with the law of the State of New York, without regard to any choice of law provisions. However, if the Interconnection Customer is an agency or instrumentality of the United States Government, this Agreement shall be governed by the applicable laws of the United States of America and, to the extent that there is no applicable or controlling federal law, the laws of the State of New York, without regard to conflicts of law principles.

**8.6 Amendments:** This Agreement shall not be amended unless the amendment is in writing and signed by T&D Manager on behalf of LIPA and the Interconnection Customer.

**8.7 Force Majeure: For purposes of this Agreement.** "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: terrorism, acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible.

**8.8 Assignment to Corporate Party:** At any time during the term, the Interconnection Customer may assign this Agreement to a corporation or other entity with limited liability, provided that the Interconnection Customer obtains the consent of T&D Manager on behalf of LIPA. Such consent will not be withheld unless T&D Manager on behalf of LIPA can demonstrate that the corporate entity is not reasonably capable of performing the obligations of the assigning Interconnection Customer under this Agreement.

## APPENDIX A

**8.9 Assignment to Individuals:** At any time during the term, an Interconnection Customer may assign this Agreement to another person, other than a corporation or other entity with limited liability, provided that the assignee is the owner, lessee, or is otherwise responsible for the Unit. The obligations under the Appendix A (Long Island Lighting Company D/B/A LIPA Standardized Contract for Interconnection of Distributed Generation and/or Energy Storage Equipment with Capacity of 5 MW or Less Connected in Parallel with the LIPA Distribution Systems), shall be binding on any successor owner of the Unit. If the Unit is sold LIPA may require the new Unit owner to sign an amended agreement.

**8.10 Permits and Approvals:** Interconnection Customer shall obtain all environmental and other permits lawfully required by governmental authorities prior to the construction and for the operation of the Unit during the term of this Agreement.

**8.11 Limitation of Liability:** Neither by inspection, if any, or non-rejection, nor in any other way, does LIPA or T&D Manager give any warranty, express or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed or maintained by the Interconnection Customer or leased by the Interconnection Customer from third parties, including without limitation the Unit and any structures, equipment, wires, appliances or devices appurtenant thereto.

**8.12 Additional Requirements:** Additional interconnection requirements relating to the Unit and associated facilities are set forth in Exhibit A of this Agreement.

Consideration  
Postponed

**APPENDIX A**

**ACCEPTED AND AGREED:**

**Long Island Electric Utility Service LLC  
acting as agent of and on behalf of  
Long Island Lighting Company d/b/a LIPA**

**[Customer]**

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Print)

Name: \_\_\_\_\_  
(Print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Consideration**

**Postponed**

**APPENDIX A**

**EXHIBIT A**

**ADDITIONAL INTERCONNECTION REQUIREMENTS**

**Consideration  
Postponed**

**APPENDIX B**

**Appendix B - Standardized Application For Inverter Based Systems**

**LONG ISLAND LIGHTING COMPANY D/B/A LIPA  
STANDARIZED APPLICATION  
FOR  
INTERCONNECTION OF INVERTER BASED DISTRIBUTED GENERATION AND ENERGY  
STORAGE EQUIPMENT  
IN PARALLEL WITH THE LIPA DISTRIBUTION SYSTEM**

CHECK IF: Standard SGIP Project  or Feed in Tariff Project

**Customer:**  
Name: \_\_\_\_\_  
Address (Street, City, State, ZIP): \_\_\_\_\_  
Phone: (\_\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

LIPA Account Number: \_\_\_\_\_

**Installation Address** (Street, City, State, ZIP): \_\_\_\_\_

**Applicant Organization:** \_\_\_\_\_

Applicant Contact: \_\_\_\_\_ Title: \_\_\_\_\_

Address (Street, City, State, ZIP): \_\_\_\_\_

Phone: (\_\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

**Agent (if any):** \_\_\_\_\_

**Agent Organization:** \_\_\_\_\_

**Agent Contact:** \_\_\_\_\_ **Title:** \_\_\_\_\_

Address (Street, City, State, ZIP): \_\_\_\_\_

Phone: (\_\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

**Consulting Engineer or Contractor:**

**Organization:** \_\_\_\_\_

**Contact:** \_\_\_\_\_ **Title:** \_\_\_\_\_

Address (Street, City, State, ZIP): \_\_\_\_\_

Phone: (\_\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

**Estimated In-Service Date:** \_\_\_\_\_

**Electric Service: Indicate if Existing**  or New Service

Capacity: \_\_\_\_\_ Amperes \_\_\_\_\_ Voltage: \_\_\_\_\_ Volts Service Character: ( ) Single Phase ( )

Three Phase Secondary 3 Phase Transformer Connection ( ) Wye ( ) Delta

**Location of Protective Interface Equipment on Property:** (include address if different from customer address) \_\_\_\_\_

**APPENDIX B**

**Solar Panel Information:**

Panel Manufacturer: \_\_\_\_\_

Model No. \_\_\_\_\_ Version No. \_\_\_\_\_

Panel Power Rating: \_\_\_\_\_ kW (DC)

Quantity of Panels: \_\_\_\_\_

Total Rated Output: \_\_\_\_\_ kW (DC)

**Energy Storage System Information:**

Manufacturer: \_\_\_\_\_

Model No: \_\_\_\_\_

Total rating KW (AC): \_\_\_\_\_

Total Rating KWH : \_\_\_\_\_

**Inverter Information:**

Manufacturer: \_\_\_\_\_

Model No: \_\_\_\_\_

Inverter Rating kW (AC): \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Quantity of Inverters \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_

Total Rating of All Inverters kW (AC): \_\_\_\_\_

System Total Output \_\_\_\_\_ kW AC (System Total Output should be Total Rating of All Inverters)

Type:             Forced Commutated     Line Commutated

Utility Interactive         Stand Alone

System Type Tested (Total System):  Yes     No; attach product literature

Ramp Rate: \_\_\_\_\_

Method of Grounding:  Grounded                     Ungrounded

Interconnection Voltage:            Volts

**Applicable Attachments:**

Detailed One Line Diagram attached  Yes

If applicable, NRTL/UL 1741 Certification attached:  Yes

If applicable:

Step Up Transformer Winding Configuration::

Consideration  
Postponed



**APPENDIX B**

( ) Delta ( ) Wye ( ) Wye Grounded

Other existing DG such as emergency generators, other renewable technologies, microturbines, hydro, fuel cells, battery storage, etc:

( ) Yes ( ) No

(If yes, provide information about existing generation on separate sheet and include detail on one-line diagram.)

**Consideration**

\_\_\_\_\_  
SIGNATURE      TITLE      DATE      CUSTOMER/AGENT

**Postponed**

**APPENDIX C**

**Appendix C - Standardized Application For Non-Inverter Based Systems**

**LONG ISLAND LIGHTING COMPANY D/B/A LIPA  
STANDARIZED APPLICATION  
FOR INTERCONNECTION OF NON-INVERTER BASED DISTRIBUTED GENERATION  
EQUIPMENT  
IN PARALLEL WITH THE LIPA DISTRIBUTION SYSTEM**

CHECK IF: Standard SGIP Project  or Feed in Tariff Project

**Customer:**

Name: \_\_\_\_\_  
Address (Street, City, State, ZIP): \_\_\_\_\_  
Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_  
LIPA Account Number: \_\_\_\_\_ Installation Address (Street, City,  
State, ZIP): \_\_\_\_\_ Applicant Organization: \_\_\_\_\_

Applicant Contact: \_\_\_\_\_ Title: \_\_\_\_\_  
Address (Street, City, State, ZIP): \_\_\_\_\_  
Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

**Agent (if any):**

**Agent Organization:** \_\_\_\_\_  
**Agent Contact:** \_\_\_\_\_ **Title:** \_\_\_\_\_  
Address (Street, City, State, ZIP): \_\_\_\_\_  
Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

**Consulting Engineer or Contractor:**

**Organization:** \_\_\_\_\_  
Contact: \_\_\_\_\_ Title: \_\_\_\_\_  
Address (Street, City, State, ZIP): \_\_\_\_\_  
Phone: (\_\_\_\_) \_\_\_\_\_ Fax: (\_\_\_\_) \_\_\_\_\_ Email: \_\_\_\_\_

**Estimated In-Service Date:** \_\_\_\_\_

**Electric Service: Indicate if Existing** \_\_\_\_\_ **or New Service** \_\_\_\_\_

Capacity: \_\_\_\_\_ Amperes \_\_\_\_\_ Voltage: \_\_\_\_\_ Volts Service Character: ( ) Single Phase ( ) Three Phase Secondary 3 Phase Transformer Connection ( ) Wye ( ) Delta

**Location of Protective Interface Equipment on Property:** (include address if different from customer address) \_\_\_\_\_



**APPENDIX C**

Rotor Resistance (Rr): \_\_\_\_\_ ohms                      Exciting Current :                      \_\_\_\_\_ Amps

Rotor Reactance (Xr): \_\_\_\_\_ ohms                      Reactive Power Required: \_\_\_\_\_

Magnetizing Reactance (Xm): \_\_\_\_\_ ohms , \_\_\_\_\_ VARs (No Load)

Stator Resistance (Rs):                      \_\_\_\_\_ ohms , \_\_\_\_\_ VARs (Full Load)

Stator Reactance (Xs):                      \_\_\_\_\_ ohms

Short Circuit Reactance (X''d) : \_\_\_\_\_ ohms,

Phases: ( ) Single Phase ( ) Three Phase

Frame Size: \_\_\_\_\_ Design Letter: \_\_\_\_\_

Temp. Rise: \_\_\_\_\_ °C

Step Up Transformer Winding Configuration:

Wye-Wye                       Wye-Delta                       Delta-Wye

Other existing DG such as emergency generators, other renewable technologies, microturbines, hydro, fuel cells, battery storage, etc:

Yes                       No

(If yes, provide information about existing generation on separate sheet and include detail on one-line diagram.)

Signature:

\_\_\_\_\_  
CUSTOMER/AGENT SIGNATURE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
DATE

**Consideration Postponed**

**APPENDIX D**

**Appendix D -Pre-Application Report**

**PRE-APPLICATION REPORT FOR THE CONNECTION OF PARALLEL GENERATION EQUIPMENT TO LIPA’S DISTRIBUTION SYSTEM**

<b>DG Project Information: (Provided to Utility by Applicant)</b>
Customer name
Location of Project: (Address and/or GPS Coordinates)
DG technology type
DG fuel source / configuration
Proposed project size in kW (AC)
Date of Pre-Application Request
<b>Pre-Application Report: (Provided to Applicant by Utility – 10 Business Days)</b>
Operating voltage of closest distribution line
Phasing at site
Approximate distance to 3-Phase (if only 1 or 2 phases nearby)
Circuit capacity (MW)
Fault current availability, if readily obtained
Circuit peak load for the previous calendar year
Circuit minimum load for the previous calendar year
Approximate distance (miles) between serving substation and project site
Number of substation banks
Total substation bank capacity (MW)
Total substation peak load (MW)
Aggregate existing distributed generation on the circuit (kW)
Aggregate queued distributed generation on the circuit (kW)

Consideration Postponed

## APPENDIX E

### Appendix E

#### **COST SHARING FOR SYSTEM MODIFICATIONS & COST RESPONSIBILITY FOR DEDICATED TRANSFORMER(S) AND OTHER SAFETY EQUIPMENT FOR NET METERED CUSTOMERS**

##### **Net Metered Customers**

Eligibility for Net Metered Customers will be per the applicable net metering provisions of the LIPA Tariff for Electric Service.

**Consideration**  
Cost Sharing for Qualifying Upgrades  
The following cost sharing provisions are applicable only to Net Metered DER facilities that are greater than 50 kW AC but no greater than 5 MW AC nameplate rating in size.

The cost-sharing provisions herein apply to two categories of system modifications: Utility-Initiated Upgrades and Market-Initiated Upgrades, as defined below, both which utilize a pro rata approach whereby the applicant pays only for the specific distribution hosting capacity assigned to its project for these types of system modifications. A pro rata approach consists of taking the estimated cost of an upgrade and dividing that cost by the total increased Hosting Capacity created by the upgrade, thereby creating a dollar per kW cost which will then be multiplied by an individual project's AC nameplate rating in kW to determine the applicant's pro rata cost share. The rules specified in Section I. Application Process will continue to govern applicants' cost obligations with respect to all other system modifications.

##### **1. Utility-Initiated Upgrades**

The category of Utility-Initiated Upgrades consists of substation transformer bank ("bank") installations or replacements and proactive zero sequence voltage ("3V0") installations where PSEG Long Island plans to complete engineering within the next twenty-four (24) months. Relevant upgrade information will be made available to authorized applicants subject to appropriate information security/confidentiality procedures. After the established application deadline, as defined below, PSEG Long Island shall determine a pro rata cost per kW for the upgrade at each relevant substation.

##### **A. Bank Upgrades (Proposed Multi-value Distribution Projects)**

In the course of its planning process, at the time when PSEG Long Island identifies the need to install or replace a bank due to asset condition, reliability, safety, resiliency, or capacity requirements, PSEG Long Island shall consider options for designing the new bank equipment to create greater DG/ESS Hosting Capacity than the baseline installation would create. If the bank can be upgraded to increase Hosting Capacity while solving a pre-existing asset condition, reliability, safety, resiliency, or capacity issue, and if there is market interest that indicates DG/ESS growth above the capacity of the baseline equipment, PSEG Long Island will identify the enhanced installation or replacement in the next CIP as a Multi-value Distribution ("MVD") project. LIPA will fund the cost of the baseline project. Participating Projects will fund the difference between the baseline and the MVD project cost.

## APPENDIX E

If PSEG Long Island determines, in its sole discretion, that there is sufficient time in the CIP project schedule (where “sufficient time” is baseline project specific and includes baseline projects where final design and engineering is not complete and prior to procurement) to allow additional DG/ESS developers to submit interconnection applications, PSEG Long Island will publish a deadline for such applications on its system data portal with the link to the CIP. The notice will describe the baseline installation to be performed and the corresponding design/construction plan for the proposed baseline project. Within thirty (30) Business Days after the application deadline, PSEG Long Island will calculate a cost per kW<sup>1</sup> for the upgrade for each project with an approved application to participate in the MVD Project Study and will provide that information and an invoice for MVD Project Study costs to each relevant applicant. Applicants will have 10 Business Days to pay their share of the study costs to LIPA; applicants who make this payment on time will be considered Participating Projects. Once Participating Projects commit to participate in the MVD Project Study, which requires the payment of their respective MVD Project Study cost share, Participating Projects will also be subject to CESIR payment timelines for project specific non-shared costs as per Section I.D. PSEG Long Island will start the MVD Project Study and Participating Project CESIRs once the all MVD Project Study and CESIR payments are received. If Participating Projects do not meet payment timelines and are withdrawn from the queue, the pro rata cost per kW remains the same for remaining Participating Projects, and PSEG Long Island will have discretion on whether 100% of the required funding will be collected from the Participating Projects to justify proceeding with the MVD project study. PSEG Long Island will have one hundred (100) Business Days to complete both the MVD Project Study and each Participating Project's CESIR.

The MVD Project Study result will include an indication of the incremental project equipment, Hosting Capacity enabled, preliminary milestone schedule, and revised cost per kW required to interconnect Participating Projects as part of the proposed MVD project. If the MVD Project Study indicates that the aggregate Participating Project capacity exceeds the capacity of the MVD project, the capacity will be assigned by interconnection queue position. After the MVD Project Study results are provided to the Participating Projects, for those Participating Projects where the MVD Study confirms available increased Hosting Capacity, a non-refundable full MVD Qualifying Upgrade payment for the shared costs of proceeding with the MVD project will be due within ninety (90) Business Days from each of the Participating Projects that want to proceed. If projects are withdrawn from the queue such that additional Participating Projects in queue can now benefit from Hosting Capacity created by the Qualifying Upgrade, PSEG Long Island will send invoices to additional Participating Projects where the MVD project can now meet their Hosting Capacity needs. Applicants who receive an invoice under this provision shall pay the invoice within 30 Business Days or be withdrawn from the queue.

Based on the number of DG/ESS applicants that pay the non-refundable MVD Qualifying Upgrade payment and the CIP project schedule, PSEG Long Island will have the discretion to move ahead with the MVD project. If PSEG Long Island determines it will not proceed with the MVD project, it will provide notice of its decision and rationale to Participating Projects within fifteen (15) Business Days of receipt of the MVD Qualifying Upgrade payment and will refund those payments via the cost reconciliation process per Section I.C. No MVD Qualifying Upgrade payments will be refunded to Participating Projects that are withdrawn from the queue after making such payments until/unless a subsequent project(s) take their place by making MVD Qualifying Payments that equal or exceed the MVD Qualifying Payments received from those withdrawing Participating Projects.

### B. Proactive 3V0 Upgrades

The CIP will identify relevant information regarding substations at which PSEG Long Island plans to install 3V0 upgrades.

## APPENDIX E

Following availability of PSEG Long Island's CIP, as described above in Section 1 of this Appendix, additional applicants may apply for interconnection at the identified substations. PSEG Long Island will accept applications at a substation designated for a 3V0 upgrade up to the maximum capacity available at the site for reliable and safe operation. PSEG Long Island will have the discretion to proceed where 3V0 upgrades are feasible. Payments will be due in accordance with CESIR payment timelines as per Section 1-D.

### 2. Market-Initiated Upgrades

This section addresses cost-sharing for Qualifying Upgrades identified in the course of the interconnection application process.

#### A. Process for Market-Initiated Upgrades

Whenever PSEG Long Island determines that a substation Qualifying Upgrade is required to interconnect a Triggering Project, PSEG Long Island will promptly discuss its finding with the applicant. If the applicant decides to continue with the application, then in addition to the CESIR process outlined in Section I-C, PSEG Long Island will proceed with a more detailed study to develop a cost estimate and initial construction schedule for the Qualifying Upgrade. PSEG Long Island will determine the Qualifying Upgrade Cost and the net increase in Hosting Capacity that would result from the construction of that modification. PSEG Long Island shall have up to forty (40) Business Days to conduct the additional study to assess the Qualifying Upgrade and complete the CESIR. PSEG Long Island will present the Qualifying Upgrade use case and supporting details in the Qualifying Upgrade Disclosure, which will include the following items:

1. The technology option(s) considered to address the electric system impacts;
2. The Qualifying Upgrade selected by PSEG Long Island;
3. The estimated Qualifying Upgrade Cost and increase in Hosting Capacity;
4. The estimated Capacity Increase Shared Cost (per kW AC); and
5. A Preliminary Milestone schedule for the Qualifying Upgrade.

Relevant Qualifying Upgrade Disclosure information will be made available to authorized applicants subject to appropriate information security/confidentiality procedures.

The CESIR will assign the Triggering Project and any Sharing Project its Qualifying Upgrade Charge. Each applicant shall pay the Qualifying Upgrade Charge ninety (90) Business Days following the CESIR delivery, and 30% of the project specific costs in accordance with the requirements of Section 1.D. PSEG Long Island shall not proceed to construction until sufficient funds from the Triggering and Sharing Project(s) are collected for a Qualifying Upgrade installation in accordance with Utility Mobilization Thresholds section C below. No Qualifying Upgrade Charge payments will be refunded to Participating Projects that are withdrawn from the queue after making such payments until/unless a subsequent project(s) take their place by making Qualifying Upgrade Charge payments that equal or exceed the Qualifying Upgrade Charge payments made by the withdrawing Participating Projects.

For Qualifying Upgrades that are distribution/sub-transmission line PSEG Long Island shall charge the Triggering Project the full cost estimate for the Qualifying Upgrade as established in the CESIR. Actual costs shall be reconciled and invoiced upon completion of the Qualifying Upgrade and paid by or refunded to the applicant. At the time the Triggering Project applicant makes its first payment, PSEG Long Island shall designate the upgrade as a "DG/ESS Encumbered Line." Construction of the



**APPENDIX E**

upgrade shall begin once PSEG Long Island has received full payment of the cost estimate. Any Sharing Project(s) above 50 kW AC that later proceeds to CESIR will be charged its pro rata share of the Qualifying Upgrade. PSEG Long Island will calculate the pro rata share based on the capacity of the DG/ESS project and footage used. After ten years from the first project interconnection, or when the Triggering Project’s contribution after reimbursement becomes less than \$100,000, whichever occurs first, the line will no longer be considered a “DG/ESS Encumbered Line.” No payments shall be refunded to a Sharing Project(s) after making full payment until a subsequent project(s) takes their place by making their full payment.

**B. Project Profiles to Be Considered in Site Selection and Eligible for the Market-Initiated DG/ESS Upgrade Mechanism**

Participating Projects must be greater than 50 kW AC nameplate rating in size, or Participating Projects proposed by the same developer, within a six-month period, must be greater than 50 kW AC nameplate rating in aggregate.

The table below, “Market-Initiated Cost Sharing 2.0 Mechanisms”, provides a breakdown of Triggering and Sharing project cost responsibilities, Mobilization Threshold, and Refundability/Reconciliation of the various Market-Initiated Qualifying Upgrade mechanisms.

Consideration  
Postponed

Market-Initiated Cost Sharing 2.0 Mechanisms

Market-Initiated Qualifying Upgrade	CESIR Cost Responsibility		Mobilization Threshold	Refundability and Reconciliation
	Triggering Project	Sharing Project		

**APPENDIX E**

<p><b>Distribution and Sub-Transmission Lines</b></p>	<p><b>100% of Qualifying Upgrade Cost</b></p>	<p><b>Pro-Rata Share based on kW Capacity and Footage</b></p>	<p><b>Upon payment of 100% of Qualifying Upgrade Cost by Triggering Project</b></p>	<p><b>Qualifying Upgrade Costs are non-refundable for the Triggering Project until a Sharing Project provides payment such that PSEG Long Island has receipt of 100% of Qualifying Upgrade Cost.</b></p> <p>Upon receipt of additional payments by Sharing Projects PSEG Long Island shall reconcile with the Triggering Project based on a calculated estimated pro-rata share. Remaining reconciliation for Qualifying Upgrade Cost to occur pursuant to Section I.C of the SGIP.</p>
<p><b>Transformer Bank</b></p>	<p><b>Pro-Rata Share of</b></p>	<p><b>Pro-Rata Share of</b></p>	<p><b>Upon payment of 75% of</b></p>	<p><b>Qualifying Upgrade Costs are non-refundable until another Sharing Project provides payment such that PSEG Long Island has received payments equal to the pro-rata share of the Qualifying Upgrade.</b></p> <p>Remaining reconciliation for Qualifying Upgrade Cost to occur pursuant to Section I.C of the SGIP.</p>
	<p><b>Qualifying Upgrade Cost based on kW Capacity</b></p>	<p><b>Qualifying Upgrade Cost based on kW Capacity</b></p>	<p><b>Qualifying Upgrade Cost by Triggering Project and Sharing Project(s)</b></p>	<p><b>Qualifying Upgrade Costs are non-refundable until another Sharing Project provides payment such that PSEG Long Island has received payments equal to the pro-rata share of the Qualifying Upgrade.</b></p> <p>Remaining reconciliation for Qualifying Upgrade Cost to occur pursuant to Section I.C of the SGIP.</p>

Consideration  
Postponed

**APPENDIX E**

<p><b>Other Qualifying Substation Upgrades</b></p>	<p><b>Pro-Rata Share of Qualifying Upgrade Cost based on kW Capacity</b></p>	<p><b>Pro-Rata Share of Qualifying Upgrade Cost based on kW Capacity</b></p>	<p><b>Upon payment of 25% of Qualifying Upgrade Cost by Triggering Project and Sharing Project(s)</b></p>	<p><b>Qualifying Upgrade Costs are non-refundable until another Sharing Project provides payment such that PSEG Long Island has received payments equal to the pro-rata share of the Qualifying Upgrade.</b></p> <p>Remaining reconciliation for Qualifying Upgrade Costs to occur pursuant to Section I.C of the SGIP.</p>
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Consideration

**C. Utility Mobilization Thresholds**

PSEG Long Island shall proceed to construct a Qualifying Upgrade, other than a distribution/sub-transmission line upgrade, once it has collected sufficient funds from the Triggering and Sharing Project(s) in accordance with the following:

Postponed

1. For all substation upgrades other than a transformer installation/upgrade, PSEG Long Island shall proceed once Participating Project payments total at least 25% of the estimated Qualifying Upgrade Cost.
2. For a substation transformer installation/upgrade and associated work, construction shall begin once payments made by Participating Projects equal at least 75% of the estimated Qualifying Upgrade Cost. If the 75% threshold is not collected within twelve (12) months of an applicant paying its full construction contribution, then the applicant may request a refund, which PSEG Long Island shall process within sixty (60) Business Days of the request.
3. If Triggering Project and Sharing Project(s) Hosting Capacity needs are below the minimum subscription threshold, the Triggering Project, or the Triggering Project and any Sharing Project(s), may agree to fund shares beyond their capacity needs so that the minimum subscription threshold criterion is met.

## APPENDIX E

4. To mitigate the risk to utility customers, unrecovered costs shall be capped at 2% of PSEG Long Island's distribution/sub-transmission electric capital investment budget per fiscal year, after which any Qualifying Upgrades would require full (100%) funding from Triggering Projects and Sharing Projects prior to PSEG Long Island mobilization for such projects' construction work.

### 3. Capital Project Queues

PSEG Long Island will create a Capital Project Queue at the substation or feeder level for each Utility-Initiated Upgrade and Market-Initiated Upgrade identified under these rules where utility construction will take longer than twenty-four (24) months. PSEG Long Island will note on its Hosting Capacity map that the station/feeder is impacted by the Capital Project Queue due to future work.

Applications pending at the time a Capital Project Queue is created will be placed into the queue if the applicant consents. New applications will be placed into a Capital Project Queue following the Preliminary Screening Analysis. The payment timelines in Section 1.D will be suspended for applications assigned to a Capital Project Queue, except as provided otherwise in this Section.

When the upgrade for a given substation is within eighteen (18) months of the expected completion date, applications will be removed from in the Capital Project Queue and will advance through the remaining SGIP steps based on their original application completion date. Any project that was placed in the Capital Project Queue after the CESIR was complete will need to go through the CESIR process again due to potential changes to the LIPA's electric power system, unless PSEG Long Island determines that a restudy is not needed.

### 4. Unsubscribed Capacity

PSEG Long Island will continue to collect contributions from Participating Projects up to ten (10) years after a Qualifying Upgrade is placed in service, or all available Hosting Capacity from a Qualifying Upgrade is used, whichever occurs first.

If the Triggering Project and initial Sharing Project(s) have met the minimum threshold to begin the upgrade, but the available Hosting Capacity has not been completely filled and thus utility customers contribute to the unassigned costs, then any additional Sharing Projects that use available Hosting Capacity up to ten (10) years after the upgraded asset is placed in service will be required to fund their pro rata share prior to interconnection, and utility customers shall receive the benefit provided by those additional Sharing Project(s). At the time additional Sharing Project(s) provide contributions for Qualifying Upgrades under this scenario, the following utility customer protections shall apply:

- i. For Qualifying Upgrades that are in service but NOT included in base rates, PSEG Long Island shall pay for this using debt and recover those costs in Debt Service.

**APPENDIX E**

If the additional Hosting Capacity needs of the Triggering Project and initial Sharing Project(s) are below the minimum subscription threshold, and the Triggering Project and initial Sharing Project(s) (if any), agree to fund shares beyond their capacity needs so that the minimum subscription threshold criterion is met, then the Triggering Project and initial Sharing Project(s) have provided contributions in excess of the Capacity Increase Shared Cost rate multiplied by their respective Hosting Capacity. Under this scenario the cost of unsubscribed capacity is being borne by the Triggering Project, previously paid Sharing Project(s) (if any), and utility customers.

Additional Sharing Projects that connect to the upgraded station/feeder will be required to contribute such that the Triggering Project, initial Sharing Project(s) (if any), and additional Sharing Projects have provided funding at an equal dollar per kW of Hosting Capacity. Triggering Projects and previously paid Participating Projects are to be provided refunds (from LIPA) as a result of the additional contribution of Sharing Project(s). Refunds shall be provided to the Triggering Project and previously paid Sharing Project(s) until the Participating Projects have provided funding at a level that is equivalent to their Capacity Increase Shared Cost multiplied by their respective Hosting Capacity level. If additional Sharing Projects provide funding, the PSEG Long Island customer protections described in Scenario above (sections 4.i) shall apply.

#### 5. Cost Reimbursement

PSEG Long Island will reimburse Participating Projects for the costs of Qualifying Upgrades upon completion of the final project cost reconciliation process established in section 1.C, Step 11 of the SGIP, as provided in this section. These reimbursements will be based on the cost estimates provided by PSEG Long Island.

For upgrades involving the DG Encumbered Line mechanism, Triggering Projects and previously paid Sharing Projects shall be reimbursed by PSEG Long Island when later Sharing Projects make their full payments, with contributions to be calculated based on project size and footage utilized. Once the Triggering Project and Sharing Project(s) have paid 100% of their respective payments, PSEG Long Island will reimburse Sharing Projects' estimated costs to the Triggering Project within sixty (60) Business Days. When the final PSEG Long Island costs for all participating projects on a DG Encumbered Line are known, both the Triggering Project and any Sharing Projects will be billed or refunded by PSEG Long Island as provided in the SGIP.

When any Triggering Project or Sharing Projects pay more than their pro rata cost shares in order to reach a mobilization threshold, as provided in section 2 above, payments from additional Sharing Projects received after the mobilization threshold is reached will be first applied to the Triggering Project and initial Sharing Project(s) that paid more than their pro rata cost share, until the Triggering Project and Sharing Projects' contributions are equal to the pro rata share of each project based on capacity needs. When the final costs are known, the Triggering Project and Sharing Projects will be billed or refunded based on the actual cost.

**APPENDIX G**

**Appendix F -Application Checklist**

Completed standard application form	✓
Signed copy of the standard contract	✓
Letter of authorization, signed by the Customer, to provide for the contractor to act as the customer’s agent, if necessary	✓
If requesting a new service, a site plan drawing with the proposed interconnection point identified by a Google Earth, Bing Maps, or similar satellite image. For those projects interconnected on existing services, account number, meter number, photos of existing service entrance equipment (existing metering facilities and switchgear) and a site plan drawing shall be provided. The drawings shall show all electrical components proposed for the installation and their connections to the existing on-site electrical system from that point to the PCC, and shall be clearly marked to distinguish between new and existing equipment.	✓
Proof of Site Control and if applicable <del>New York State Standardized Acknowledgement of Property Owner Consent Form or Site Control Certification Form</del> Refer to Appendix H and Appendix H-1.	✓
Description/Narrative of the project and site proposed. If multiple DG systems are being proposed at the same site/location, this information needs to be identified and explained in detail	✓
DG technology type	✓
DG fuel source / configuration	✓
Proposed project size in AC kW	✓
Project is subject to Solar Communities Feed-in Tariff, net metered, remote or community net metered	✓
Copy of the certificate of compliance referencing UL 1741. If proposing power-limited equipment, provide additional generic letter by manufacturer detailing output range in which inverter model(s) were tested and certified to UL 1741.	✓
Copy of the manufacturer’s product data sheet for the interface equipment. For custom equipment (e.g., transformer, disconnect, or recloser), copy of the manufacturer’s product brochure.	✓
Copy of the manufacturer’s verification test procedures, if required	✓
For systems 50 kW or less, provide a copy of the manufacturer's verification test procedures.	✓
System Diagram - For solar PV and BESS applications – a single-line drawing that meets the requirements of this Appendix. For all other types of applications – a three-line diagram that meets the requirements of this Appendix. Single-line and three-line diagrams must include the following: <ol style="list-style-type: none"> <li>1. Number, individual ratings, connection configurations, and type of all major electrical components such as generating units, step-up transformers, auxiliary transformers, grounding transformers, neutral reactors, and switches/disconnects of the proposed interconnection, including the required protection devices (instrument transformer configuration and polarity if applicable) and circuit breakers.</li> <li>2. Proposed inverter protection settings (and relay equipment settings if applicable).</li> <li>3. Proposed generator step-up transformer MVA ratings, impedances, tap settings, neutral connections, winding configurations, and voltage ratings.</li> <li>4. For those systems proposed to be interconnected at a system voltage of 1,000 volts or greater, the drawings shall be sealed by a NYS licensed Professional Engineer.</li> <li>5. Control system designs, phase sequencing, differential relay settings, ground connections, and metering transformer connections</li> </ol>	✓

Consideration  
Postponed

**APPENDIX G**

**Appendix G – Screening Analysis**

**PRELIMINARY SCREENING ANALYSIS**

Please refer to PSEG Long Island’s Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA’s Distribution System for Preliminary DER Interconnection Screening. The document can be found at the following link:

<https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/sgip>

**Consideration**  
SUPPLEMENTAL SCREENING ANALYSIS

Please refer to PSEG Long Island’s Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA’s Distribution System for Supplemental DER Interconnection Screening. The document can be found at the following link:

<https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/sgip>

**Postponed**

APPENDIX H

**Appendix H – Property Owner Consent Form**

**~~New York State Standardized~~ Acknowledgment of Property Owner Consent Form**

**Project Name:**  
**Location (Installation address):**  
**Project/PAM Number (if available):**

(Note: This Acknowledgment is to be signed by the owner of the property where the proposed distributed generation facility and interconnection will be placed, when the owner or operator of the proposed distributed generation facility is not also the owner of the property, and the property owner’s electric facilities will not be involved in the interconnection of the distributed generation facility. This Acknowledgment may be signed in the alternative by the lessee of the property, so long as the lessee demonstrates to the Utility’s satisfaction that the lease permits installation of the proposed facilities, for example, in cases where the land owner is different than the building owner. The Property Owner shall attached a copy of Tax Bill/Deed/Lease Agreement/Other, commercially reasonable documentation, as applicable, as evidence with this form)

This Acknowledgment is executed by \_\_\_\_\_, (the “Property Owner”; as used herein the term shall include the Property Owner’s successors in interest to the Property), as owner of the real property situated in the City/Town of \_\_\_\_\_, \_\_\_\_\_ County, New York, known as \_\_\_\_\_ [street address] (the “Property”), at the request of \_\_\_\_\_ [name of Developer] (the “Developer”; as used herein the term shall include the Developer’s successors and assigns).

This Acknowledgment does not grant or convey any interest in the Property to the Developer.

- 1. The Property Owner certifies as of the date indicated below that the Property Owner is working exclusively with the Developer on a proposal to install a distributed generation facility (the “Facility”) on the Property.

OR

- 2. The Property Owner certifies as of the date indicated below that the Developer has executed with the Property Owner one of the following: a signed option agreement to lease or purchase the Property, an executed Property lease, or an executed purchase agreement for the Property granting the Developer a right to use the Property for purposes of installing the Facility.

Property Owner:

Developer/Applicant:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**APPENDIX H-1**

**Appendix H-1 Site Control Certification Form**

PSEG Long Island  
 Manager of Power Asset Management  
 175 E Old Country Road  
 Hicksville, New York 11801

<b>Re:</b>	DEVELOPER	[name]
		[contact information]
	PROJECT	[PAM ID number]
	PROPERTY	[street address]
[municipality/county]		
[city/town and zip code]		

(Note: This Certification is to be signed by the owner of the property where the proposed distributed generation facility and interconnection will be placed, when the owner or operator of the proposed distributed generation facility is not also the owner of the property, and the property owner's electric facilities will not be involved in the interconnection of the distributed generation facility. This Certification may be signed in the alternative by the lessee of the property, so long as the lessee demonstrates to the Utility's satisfaction that the lease permits installation of the proposed facilities, for example, in cases where the land owner is different than the building owner. The Property Owner shall attach a copy of Tax Bill/Deed/Lease/Agreement/Other commercially reasonable documentation, as applicable, as evidence with this form)

\_\_\_\_\_ (the "Property Owner") is the owner of the above- referenced property (the "Property").  
 \_\_\_\_\_ (the "Developer") is the developer of the project identified above.

The Property Owner and the Developer have entered into an agreement authorizing the Developer to use the Property for the purpose of constructing and operating a distributed generation facility. The type of agreement that is in place is indicated below by a check mark.

<input type="checkbox"/>	Signed option agreement to lease or purchase the Property
<input type="checkbox"/>	Executed lease agreement for the Property
<input type="checkbox"/>	Executed agreement to purchase the Property
<input type="checkbox"/>	License or other agreement granting exclusive right to use the Property for purposes of constructing and operating the distributed generation facility

Property Owner and Developer entered into the agreement on or about \_\_\_\_\_  
 (MM/DD/YYYY)

Terms of Agreement (including options to extend) \_\_\_\_\_  
 (MM/DD/YYYY)\

Property Owner  
 By: \_\_\_\_\_

Developer  
 By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**APPENDIX H-1**

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

# Consideration Postponed

**APPENDIX I**

**Appendix I – Moratorium Attestation Form**

**New York State Standard Moratorium Attestation Form**

PSEG Long Island  
 Manager of Power Asset Management  
 175 E Old Country Road  
 Hicksville, New York 11801

<b>Re:</b>	DEVELOPER	[name]
		[contact information]
	PROJECT	[Project/PAM number]
	PROPERTY	[street address]
		[municipality/county]
		[city/town and zip code]

\_\_\_\_\_ [DEVELOPER NAME] hereby attests that it will notify the  
 interconnecting utility identified above of the date that the moratorium on solar development in  
 \_\_\_\_\_ [MUNICIPALITY NAME] is lifted.

By signing below, Developer confirms that this attestation is true and correct.

By: \_\_\_\_\_

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

## APPENDIX J

### Appendix J – Energy Storage System (ESS) Application Requirements

#### Energy Storage System (ESS) Application Requirements / System Operating Characteristics / Market Participation

##### Application Requirements:

- Consideration Postponed**
- a. Provide a general overview / description and associated scope of work for the proposed project. Is the new ESS project associated with a new or existing DG facility?
  - b. Identify whether this is a Stand-Alone or Hybrid ESS proposal or a change to the operating characteristics of an existing system. If Hybrid ESS, please select the configuration option:
    1. Hybrid Option A - ESS is charged exclusively by the DG
    2. Hybrid Option B - ESS will not export to the grid, only DG will.
      - a. Hybrid Option C - ESS may charge/discharge unrestricted, but grid consumption by ESS is netted out of grid exports<sup>1</sup>.
    3. Hybrid Option D - ESS may charge/discharge unrestricted, but any consumption on the account is netted out of grid exports
    4. N/A - not Value Stack
  - c. Market participation<sup>2</sup>
    1. Compensated under the LIPA Electric Service Tariff? If yes, please specify. Identify any associated use case stacking (*i.e.*, parallel standby, net meter, VDER, import only, export only, peak shaving, generator firming, demand response, etc.) if applicable.
    2. NYISO markets? If yes, has the NYISO process been initiated? Please specify which anticipated NYISO market(s).
    3. As part of an NWA? If yes, please specify which associated NWA.
    4. Program or market not listed? If yes, please describe.
  - d. Indicate whether the ESS and DG system inverter(s)/converter(s) are DC-coupled or AC-coupled and provide the following:
    1. DER Nameplate Ratings:
      - i. Storage inverter rating (kW) for AC-coupled or stand-alone systems;

<sup>1</sup> ESS may have restricted charge/discharge to be defined in Question 2c

<sup>2</sup> Market participation information is non-binding but may be used to verify operating characteristics and metering configuration. Participation in NYISO markets and NWA programs may influence the technical study.

**APPENDIX J**

- ii. DG inverter rating (kW) for AC-coupled systems (if DG present); or
- iii. DG + ESS inverter rating (kW) for DC-coupled systems.

2. Storage capacity (kWh)<sup>3</sup>

- e. Provide specification data/rating sheets for both the AC and/or DC components including the manufacturer, model, and nameplate ratings (kW) of the inverter(s)/converters(s) and controllers for the ESS and/or DG system. and capacity of ESS unit(s) (kWh).
- f. Indicate the type of Energy Storage (ES) technology to be used. For example, NaS, Dry Cell, PB-acid, Li-ion, vanadium flow, etc.
- g. Will the proposed project provide both real power and reactive power (PQ injection)?
- h. Will the proposed project provide reactive power control, either via volt/VAR mod or specific power factor?
- i. Indicate whether the interconnected inverter(s)/converter(s) is/are compliant to the latest versions of the following additional standards. If partially compliant to subsections of the latest standards, please list those subsections:
  - 1. IEEE 1547a-2018
  - 2. UL 1741 including supplement B (“UL 1741 SB”), with settings as specified in the PSEG Long Islands technical requirements document, and its supplement A (SA)
- j. List the system’s maximum import in kW AC, including any equipment and ancillary loads (i.e., HVAC) to be installed to facilitate the ESS installation.
- k. Indicate desired ramp rates in kW/second during charging and discharging (worst case will be assumed if not provided). Please attach a charge and discharge data/curve.
- l. Is the ESS symmetrical or asymmetrical (e.g., charge magnitude equivalent to discharge magnitude)? Provide proposed inverter(s) power factor operating range and anticipated operational setpoints<sup>4</sup> in the context of the expected two-quadrant or four-quadrant operation
- m. Indicate the maximum potential change in power magnitude expressed in equipment limitations such as per-second, minute, hour, or day and kW or % of kW as applicable.
- n. Indicate any specific operational limitations that will be imposed (e.g., will not charge or discharge across PCC between 2-7 pm on weekdays; ESS will not charge at any time that would increase customers peak demand, etc.). Charge/discharge at any time (24 hours) will be assumed by LIPA if not provided.
- o. Provide a summary of protection and control scheme functionality and provide details of any integrated protection of control schematics and default settings within controllers.
- p. Submit control schemes, electrical configurations, and sufficient details for PSEG Long Island to review and confirm acceptance of proposal. Detail any integrated control scheme(s) that are included in the interconnected inverter(s)/converters including a sequence of operations for expected events, energy flows, or power restrictions. For example, provide details if the ESS can be charged only through the DG input, or if the ESS can be switched to be charged from the line input, or if a control scheme is proposed to prohibit power flow directionality or peak values. Provide details on grounding of the interconnected ESS and/or DG system to meet LIPA’s

Consideration  
Postponed

<sup>3</sup> Kilowatt hour rating values are typically not utilized for impact review outside of a utility performance requirement under and NWA solution. However, kWh is required for utility reporting and is a mandatory date field.

<sup>4</sup> Final setpoints are subject to change per utility’s direction

## APPENDIX J

effective grounding requirements.

- q. Provide short circuit current capabilities and harmonic output from the hybrid ESS project or stand-alone ESS.
- r. If the intended use case for the ESS includes behind-the-meter backup services, please provide a description and documentation illustrating how the entire system disconnects from the LIPA System during an outage (e.g., mechanical or electronic, coordination, etc.).

### Optional Questions:

Questions in this section are not required for a complete application, although any responses provided may support PSEG Long Island's decision to review the project performance in a manner that could result in less impact to the customer interconnection.

**Consideration**

- a. Indicate whether the interconnected inverter(s)/inverter(s)/converter(s) is/are compliant to the latest versions of the following additional standards. If partially compliant to subsections of the latest standards, please list those subsections: a. SunSpec Common Smart Inverter Profile (CSIP) v2.103-15-2018
- b. Any other recognized standard or practice. Indicate the maximum frequency of change in operating modes (*i.e.*, charging to discharging and vice-versa) that will be allowed based upon control system configurations.
- c. Provide details on standard communication as follows:
  - a. Hardware interfaces that are available, *e.g.*, TCP/IP, serial, etc.
  - b. Protocols that are available, *e.g.*, MODBUS, DNP-3, 2030.5, etc.
  - c. Data models that are available, *e.g.*, 61850-90-7, SunSpec, MESA, 2030.5, OpenADR, etc.
- d. Provide details on whether the inverter(s)/converter(s) have any intrinsic grid support functions, such as autonomous or interactive voltage and frequency support. If so, please describe these functions and default settings.

**Postponed**

**APPENDIX K**

**Appendix K – Project Construction Schedule**

Applicant Name:

Project/PAM Number:

Developer:

\*This Interconnection schedule depends upon receipt of funds along with notification to proceed, executed Interconnection Agreement, weather, equipment delivery, public opposition to right-of-way and timely Customer design submittals. Close coordination is required to sequence construction and planned interruption events. As a result, any final schedule requires mutual agreement and would be subject to change.

Consideration  
Postponed

Milestone	Estimated Time Duration to Completion (Weeks)	Responsible Party
30 % Payment		Interconnection Customer
Administrative Setup		PSEG Long Island
Customer Submittals One Line and Three Line Diagrams Stamped Site Plans		Interconnection Customer
Review of drawings, shop drawings and Relay Setting		PSEG Long Island
Design Queue		PSEG Long Island
Permitting/Easements		PSEG Long Island
Upgrade Design – Line/POI/Substation Design		PSEG Long Island: Complete design to the point of material ordering
Progress Payment**		Interconnection Customer
<u>Updated Construction Schedule Scheduling/Procurement</u>		PSEG Long Island/ <u>Provide an Updated Construction Schedule</u>
<del>Construction – Line/POI/Substation</del>		<del>PSEG Long Island /Interconnection customer</del>
Verification Test Coordination Customer Witness Testing Energization/Permission to Operate		PSEG Long Island /Interconnection customer <i>Customer submittals required to be <u>approved to schedule test</u></i>
Total Project Duration		PSEG Long Island /Interconnection Customer

- a. \*\*The sequence of Milestone schedule might change for Non-CESIR projects.

**APPENDIX L**

**Appendix L – Small Generator Certificate Of Completion**

Is the Small Generator unit owner-installed? Yes \_\_\_\_\_ No \_\_\_\_\_

Installed System Total Output: \_\_\_\_\_ kW DC and \_\_\_\_\_ kW AC

Installed Energy Storage Total Output: \_\_\_\_\_ kW AC and \_\_\_\_\_ kWh

Interconnection Customer: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Address: \_\_\_\_\_

Location of the Small Generator (if different from above):  
\_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

Electrician:

Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Telephone (Day): \_\_\_\_\_ (Evening): \_\_\_\_\_

Fax: \_\_\_\_\_ E-Mail Address: \_\_\_\_\_

License number: \_\_\_\_\_

Date Approval to Install Facility granted by LIPA: \_\_\_\_\_

Application PAM ID number: \_\_\_\_\_

Inspection:

The Small Generator has been installed and inspected in compliance with the local

building/electrical code of \_\_\_\_\_

Signed (Local electrical wiring inspector, or attach signed electrical inspection):  
\_\_\_\_\_

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Consideration  
Postponed



**APPENDIX M  
INTERCONNECTION AGREEMENT  
FOR A SYSTEM  
GREATER THAN 5 MW AND LESS THAN 10 MW**

**Appendix M - Interconnection Agreement For A System  
Greater Than 5 MW And Less Than 10 MW**

INTERCONNECTION AGREEMENT  
FOR A SYSTEM  
GREATER THAN 5 MW AND LESS THAN 10 MW  
AT [ADDRESS]

# Consideration

BETWEEN

LONG ISLAND LIGHTING COMPANY D/B/A LIPA

# Postponed

AND  
[PARTY NAME]

**APPENDIX M  
INTERCONNECTION AGREEMENT  
FOR A SYSTEM  
GREATER THAN 5 MW AND LESS THAN 10 MW**

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Consideration  
Postponed

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**EXHIBITS**

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**Consideration  
Postponed**

**APPENDIX M  
INTERCONNECTION AGREEMENT  
FOR A SYSTEM  
GREATER THAN 5 MW AND LESS THAN 10 MW**

THIS INTERCONNECTION AGREEMENT (this “Agreement”) is made and entered into this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between Long Island Lighting Company doing business as LIPA (“LIPA”), a corporation organized under the laws of the State of New York and a wholly-owned subsidiary of Long Island Power Authority (“Authority”) which is a corporate municipality and political subdivision of the State of New York, each with its headquarters at 333 Earle Ovington Boulevard, Uniondale, New York 11553 and [PARTY NAME] organized under the laws of the State of [\_\_\_\_\_] (“Generator”), with its offices at [PARTY ADDRESS]. LIPA and Generator may be jointly referred to in this Agreement as the “Parties,” or individually as a “Party.” T&D Manager is not a party to this Agreement and is executing this Agreement solely on behalf of and as agent for LIPA.

WHEREAS, LIPA owns electric facilities and is engaged in the generation, transmission, distribution, and sale of electric energy in the State of New York; and

WHEREAS, T&D Manager is LIPA’s agent, will administer this Agreement and shall be LIPA’s representative in all matters related to this Agreement, including all attached exhibits as applicable; and

WHEREAS, Generator intends to construct, own, operate, and maintain (or cause to be constructed, operated, and maintained) an electric power generation facility (the “Plant”) to be located at [ADDRESS]; and

WHEREAS, Generator desires to interconnect the Plant with LIPA’s System; and

WHEREAS, LIPA desires to interconnect LIPA’s System with the Plant;

NOW THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt, sufficiency, and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby covenant, promise, and agree as follows:

**ARTICLE 1  
CONSTRUCTION AND DEFINITIONS**

1.1 Construction. Any references herein to this Agreement, or to any other agreement, shall include any exhibits, attachments, and addenda hereto and amendments thereto, as the same may be amended from time to time.

1.2 Definitions. Any term used in this Agreement and not defined herein shall have the meaning customarily attributed to such term by the electric utility industry in the State of New York. When used with initial capitalization, unless otherwise defined herein, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below:

“**Affiliate**” means any other entity directly or indirectly controlling or controlled by or under direct or indirect common control of a specified party. For purposes of this definition, “control” means the power to direct the management and policies of such entity or specified party, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. A voting interest of ten percent (10%) or more shall create a rebuttable presumption of control. The Parties acknowledge that the T&D Manager shall not be construed to be an Affiliate of LIPA as such term is defined and used herein.

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**“Agreement”** shall have the meaning identified in the Preamble and shall include all exhibits, schedules, appendices, and other attachments hereto and amendments thereto that may be made from time to time pursuant to the terms of this Agreement.

**“Arbitrators”** shall have the meaning set forth in Section 10.4 of this Agreement.

**“Authority”** shall have the meaning set forth in the Preamble, including its successors and assigns as permitted hereunder.

**“Business Day”** means any day on which the Federal Reserve Member Banks in New York City are open for business, and shall extend from 8:00 a.m. until 5:00 p.m. local time for each Party’s principal place of business.

**“Commercial Operation Date”** means the date on which the Plant has successfully completed its Performance Test and all tests required in accordance with NYISO procedures to provide Output in the corresponding NYISO markets in accordance with the applicable rules promulgated by the NYISO, and is available and capable of delivering Output pursuant to the terms of this Agreement.

**“Confidential Information”** shall have the meaning set forth in Section 15.1 of this Agreement.

**“Cure Plan”** shall have the meaning set forth in Section 9.2(b)(ii) of this Agreement.

**“Date of Initial Interconnection”** means the date on which the Plant is first electrically interconnected to LIPA’s System, which is intended to occur on or before [DATE].

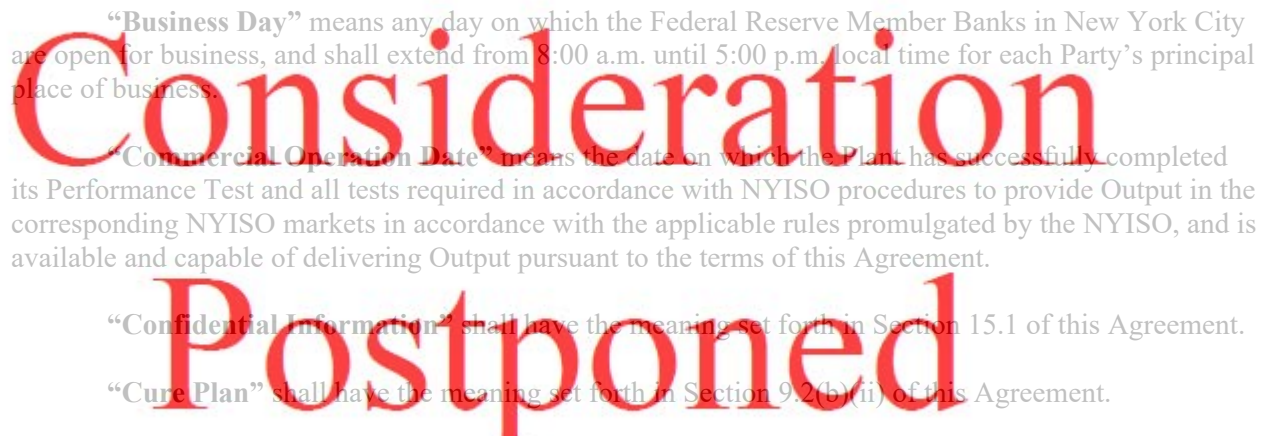
**“Demarcation Point”** means the point of electrical interconnection between Generator’s Interconnection Facilities and LIPA’s Interconnection Facilities, located at [ADDRESS], as set forth in Exhibit A hereto.

**“Disclosing Party”** shall have the meaning set forth in Section 15.1 of this Agreement.

**“Energy Storage System”** means a commercially-available mechanical, electrical or electro-chemical means to store and release electrical energy, and its associated electrical inversion device and control functions that may stand-alone or be paired with a distributed generator at a point of common coupling.

**“Environmental Law”** means all former and current federal, state, local, and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives or orders (including consent orders) and Environmental Permits, in each case, relating to pollution or protection of the environment or natural resources, including laws relating to Releases or threatened Releases, or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, arrangement for disposal, transport, recycling or handling of Hazardous Substances.

**“Environmental Permits”** means the permits, licenses, consents, approvals and other governmental authorizations, with respect to Environmental Laws relating primarily to the operation of the Plant.



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**“Event of Default”** shall have the meaning set forth in Section 9.1 of this Agreement.

**“FERC”** means the Federal Energy Regulatory Commission or any successor agency thereto.

**“FOIL”** shall have the meaning set forth in Section 15.3 of this Agreement.

**“Force Majeure Event”** shall have the meaning set forth in Article 12 of this Agreement.

**“Generator”** shall have the meaning set forth in the Preamble, including its successors and assigns as permitted hereunder. Generator means the distributed generation facilities and Energy Storage System approved by the T&D Manager with a nameplate capacity of less than 10 MW located on the Interconnection Customer’s premises at the time T&D Manager approves such generator for operation in parallel with LIPA’s system. This Agreement relates only to such generator. The nameplate generating and energy storage capacity shall not exceed 10 MW in aggregate.

**“Generator’s Interconnection Facilities”** means all facilities and equipment identified on Exhibit A, that are located between the Plant and the Demarcation Point, including any modification, addition, upgrades or replacement of such facilities and equipment, necessary to Interconnect the Plant with LIPA’s System. Generator’s Interconnection Facilities are sole use facilities.

**“Good Utility Practice”** means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the State of New York during the term of this Agreement, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish the desired results at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to delineate acceptable practices, methods or acts generally accepted by a significant portion of the electric utility industry operating in the State of New York.

**“Hazardous Substance”** means (i) any petrochemical or petroleum products, crude oil or any fraction thereof, ash, radioactive materials, radon gas, asbestos in any form, urea formaldehyde foam insulation or polychlorinated biphenyls, (ii) any chemicals, materials, substances or wastes defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “contaminants” or “pollutants” or words of similar meaning and regulatory affect contained in any Environmental Law or (iii) any other chemical, material, substance or waste which is prohibited, limited or regulated by any Environmental Law.

**“Indemnified Party”** shall have the meaning set forth in Section 11.1 of this Agreement.

**“Indemnifying Party”** shall have the meaning set forth in Section 11.1 of this Agreement.

**“Interconnection”** means the electrical interconnection of the Plant with LIPA’s System.

**“Interconnection Customer”** means the owner of the Generator or any entity that proposes to interconnect with LIPA’s Distribution System.

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**“Interconnection Facilities”** means Generator’s Interconnection Facilities, if any, and LIPA’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Plant and the Point of Attachment, including any modifications, additions, upgrades or replacements that are necessary to physically and electrically interconnect the Plant to LIPA’s System. Interconnection Facilities are sole use facilities and shall not include additions, modifications or upgrades to LIPA’s System.

**“Interest Rate”** shall have the meaning set forth in Section 3.4 of this Agreement.

**“Lenders”** means any Person, or agent or trustee of such Person, who provides financing for the Plant.

**“LIPA”** shall have the meaning set forth in the Preamble, including its successors and assigns as permitted hereunder.

**“LIPA’s System”** means the electric transmission and distribution system owned by LIPA and consisting of all real and personal property, equipment, machinery, tools and materials, and other similar items relating to the transmission and distribution of electricity to LIPA’s customers.

**“LIPA’s Interconnection Facilities”** means all facilities and equipment identified on Exhibit A, that are located between the Demarcation Point and the Point of Attachment, including any modifications, additions, upgrades or replacements of such facilities and equipment. LIPA’s Interconnection Facilities are sole use facilities and shall not include additions, modifications or upgrades to LIPA’s System.

**“Material Modification”** means a Modification to a Unit that may have adverse impacts on the LIPA’s system, LIPA customers, other projects, or applications in the interconnection queue.

**“Metering Devices”** means all meters, metering equipment, data processing equipment, and associated equipment used to measure, record or transmit data relating to the provision and transmission of Output from LIPA’s System to customers pursuant to the terms of this Agreement.

**“Modification”** means a change to the ownership, equipment, equipment ratings, equipment configuration, or operating conditions of the Unit.

**“NYCA”** means the New York Control Area.

**“NYISO”** means the New York Independent System Operator or any successor thereto that administers the wholesale electricity markets in the State of New York substantially as a whole, including without limitation, any regional transmission organization so authorized by the FERC.

**“Other Party Group”** shall have the meaning set forth in Section 11.10. (e) of this Agreement.

**“Output”** means collectively, the capacity, energy, and ancillary services produced by the Plant.

**“Party”** or **“Parties”** shall have the meaning set forth in the Preamble, together with any successor or assign, as permitted hereunder, of either.

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**“Plant”** shall have the meaning set forth in the Recitals, including the balance of plant equipment, fuel handling facilities, step-up transformer(s), output breakers, and necessary generation and transmission lines to connect to the Demarcation Point, and associated protective equipment.

**“Performance Test”** means the performance tests as more fully described in Exhibit J (D) hereto.

**“Point of Attachment”** means the point, as set forth in Exhibit J (A), where the Interconnection Facilities connect to LIPA’s System.

**“Project Site”** means that parcel of land where the Plant is located and described in the attached Appendix A; and located in [ADDRESS].

**“Receiving Party”** shall have the meaning set forth in Section 15.1(a) of this Agreement.

**“Records”** shall have the meaning set forth in Section 16.3 of this Agreement.

**“Release”** means any actual or threatened release, spill, emission, emptying, escape, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment or within any building, structure, facility or fixture.

**“RTO”** means any regional transmission organization/independent transmission operator or organization, which is approved by the FERC pursuant to FERC Order No. 2000.

**“Statute”** shall have the meaning set forth in Section 16.3 of this Agreement.

**“Summer Season”** means, after the Commercial Operation Date, each of the periods from June 1 through September 30 of any year during the term of this Agreement.

**“System Emergency”** means the existence of a physical or operational condition or the occurrence of an event which, at the time of such occurrence or event that: (i) in the judgment of the Party making the claim, is imminently likely to endanger life or property, or (ii) in the case of LIPA, impairs or will imminently impair the safety and/or reliability of LIPA’s System or LIPA’s Interconnection Facilities, or (iii) in the case of Generator, impairs or will imminently impair the safety and/or reliability of the Plant or Generator’s Interconnection Facilities. System restoration and black start are part of a System Emergency, provided that Generator is not obligated to possess black start capability.

**“System Pre-Emergency”** means the existence of a physical or operational condition or the occurrence of an event which, at the time of such occurrence or event, could reasonably be expected, if permitted to continue, to lead to a System Emergency.

**“T&D Manager”** also referred to herein as **“PSEG Long Island,”** means Long Island Electric Utility Servco LLC, a wholly owned subsidiary of PSEG Long Island LLC, which has managerial responsibility for the day-to-day operational maintenance of, and capital investment to, the electric transmission and distribution system owned by LIPA as of January 1, 2014, pursuant to that Amended Restated Operations Services Agreement, dated as of December 31, 2013, as amended and restated by the Second Amended and Restated Operations Services Agreement (“OSA”) dated as of December 15, 2021, that became effective on April 1, 2022, or any successor or assignee thereof providing certain operation,



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maintenance and other services to LIPA. T&D Manager administers this Agreement on LIPA's behalf as its agent.

**ARTICLE 2  
TERM**

This Agreement shall become effective (the "Effective Date") upon execution by both Parties, and shall remain in full force and effect, subject to termination as provided herein, for a period of ten (10) years from the Effective Date or such other longer period as the Generator may request and shall be automatically renewed for each successive one-year period thereafter. Generator shall have the right to cease operation of the Plant and terminate this agreement upon thirty (30) days' notice to LIPA. Either Party may terminate this Agreement in accordance with Article 9.

**Consideration**

**ARTICLE 3  
BILLING AND PAYMENT**

3.1. Billing Procedures. Within twenty (20) Business Days after the first (1st) day of each month, each Party shall prepare an invoice for any outstanding and due costs, fees or other payments owed it by the other Party pursuant to this Agreement or otherwise subject to reimbursement by Generator. Each invoice shall delineate the month in which such costs or services were incurred or provided, shall fully describe the costs or services incurred or rendered, and shall be itemized to reflect the incurrence of such costs and the provision of such services. Each Party shall pay the undisputed invoiced amount, if any, to the other Party on or before the thirtieth (30) day following receipt of the other Party's invoice. Payment of invoices by either Party shall not relieve the paying Party from any responsibilities or obligations it has under this Agreement, nor shall it constitute a waiver of any claims arising hereunder nor shall it prejudice either Party's right to question the correctness of such billing.

3.2 Billing Payment Addresses

- i. T&D Manager:  
PSEG Long Island  
Power Asset Management (PAM)  
175 East Old Country Road  
Hicksville, New York 11801  
Attention: Manager, PSEG Long Island Power Asset Management

With a copy to LIPA:  
Long Island Power Authority  
333 Earle Ovington Boulevard, Suite 403  
Uniondale, New York 11553  
Attention: Vice President of Power Markets

- ii. Generator:  
[NAME]  
[ADDRESS]  
Attention:

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Fax: \_\_\_\_\_

or such other and different addresses as may be designated in writing by the Parties.

**3.3 Billing Disputes.**

- (a) Notice. A Party receiving any invoice from the other Party shall examine same to ensure that it has been calculated correctly, and shall promptly notify the billing Party of any errors therein which the receiving Party in good faith believes have been made, along with the facts providing the basis for such belief. The billing Party will promptly review such complaint and reply to the specific claims made by the receiving Party.
- (b) Dispute Resolution. If the Parties are unable to settle the contested portion of any invoice, such dispute shall be settled in accordance with Article 10.
- (c) Obligation to Pay Uncontested Amounts. The existence of a dispute with regard to any payment due shall not relieve the indebted Party of any obligation to timely pay any uncontested amounts due under this Agreement or from fulfilling any other obligation under this Agreement.
- (d) Payment of Disputed Amounts. Upon resolution of a dispute in respect to any disputed amount, a party shall pay interest on any unpaid amount determined to be owed to the other party from the date due under the original invoice until date of payment. Such interest shall be computed at the effective interest rate as established by Section 2880 of the Public Authorities Law of the State of New York, and any successor thereto (the "Interest Rate").
- (e) Deadline for Disputing Amounts. Except in instances where it is demonstrated that fraud hindered the discovery of billing errors, any claims for adjustments must be made within two (2) years of when the invoice was issued.

**3.4 Interest.** If either Party fails to make any payment required by this Agreement when due, including contested portions of invoices, or if due to an incorrect invoice issued by a Party, the other Party may request an overpayment requiring a refund by the billing Party, such amount due shall bear interest at the Interest Rate for each day from the due date of the payment or the date on which the overpayment was made until the date of payment. Payments mailed on or before the due date shall not be charged interest for the period of mailing. If the due date of any payment falls on a Sunday or legal holiday, the next Business Day shall be the last day on which payment can be made without interest charges being assessed.

**3.5 Survival.** The provisions of this Article 3 shall survive termination, expiration, cancellation, suspension, or completion of this Agreement to the extent necessary to allow for final billing and payment.

**ARTICLE 4  
REGULATORY APPROVALS**

**APPENDIX M**  
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4.1 Generator shall be responsible for obtaining and maintaining the effectiveness of all necessary governmental permits required for Generator to construct, operate maintain and replace Generator's Interconnection Facilities. LIPA shall be responsible for obtaining and maintaining the effectiveness of all necessary governmental permits required for LIPA to construct, operate, maintain, and replace LIPA's Interconnection Facilities.

Consideration  
Postponed

**APPENDIX M  
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**ARTICLE 5  
SALE OF ELECTRICITY**

There shall be no sale of electricity to LIPA under this Agreement.

**ARTICLE 6  
INSTALLATION, OPERATION, AND MAINTENANCE  
OF THE INTERCONNECTION FACILITIES**

6.1 LIPA shall interconnect the Plant with LIPA's System at the Point of Attachment, permit the Plant to operate in parallel with LIPA's System, and shall provide all services reasonably necessary to achieve these purposes.

6.2 Generator shall be responsible, for (a) all costs of designing, engineering, procuring, constructing, installing, commissioning, testing, operating, maintaining, and replacing the Generator's Interconnection Facilities and for providing data acquisition and control interfaces to permit the safe and reliable operation of the Interconnection Facilities in accordance with Good Utility Practice and the NYISO Tariff and Rules, and (b) all costs of designing, engineering, procuring, constructing, installing, commissioning, testing, operating, maintaining, and replacing LIPA's Interconnection Facilities. An estimate of the initial cost of LIPA's Interconnection Facilities is set forth in Exhibit E. Generator shall reimburse LIPA for all costs of designing, engineering, procuring, constructing, installing, commissioning, testing, and replacing LIPA's Interconnection Facilities. Generator shall reimburse LIPA on a monthly basis for maintenance costs of the Interconnection Facilities in accordance with the applicable Service Classification tariff in LIPA's retail electric tariff (presently Service Classification No.11). LIPA, through its T&D Manager, will invoice Generator for the foregoing costs.

6.3 Generator shall design, engineer, procure, construct, install, commission, test, operate, maintain, and replace Generator's Interconnection Facilities in conformance with: (a) the design specifications, construction standards, performance requirements, and operating standards specified in Appendices B, C, and D to this Agreement; (b) the testing procedures for the Generator's Interconnection Facilities, specified in Exhibit D to this Agreement; (c) all applicable laws, rules and regulations of federal, state and local governmental authorities that have jurisdiction over Generator with respect to the Generator's Interconnection Facilities; (d) Good Utility Practice.

6.4 Generator shall design, engineer, procure, construct, install, commission, test, operate, and maintain the Plant in accordance with: (a) the design specifications, construction standards, performance requirements, and operating standards specified in Appendices B, C, and D to this Agreement; (b) the testing procedures for the Plant, specified in Exhibit D to this Agreement; (c) all applicable laws, rules and regulations of federal, state, and local governmental authorities that have jurisdiction over Generator with respect to the Plant; and (d) Good Utility Practice.

6.5 Prior to the Date of Initial Interconnection, the Parties shall jointly develop detailed testing procedures for the Interconnection Facilities, to the extent any such procedures are not adequately specified as part of the applicable NYISO Tariff and Rules or within Exhibit D.

6.6 Prior to the date of Initial Interconnection, the Parties shall also jointly develop a detailed set of coordinated operating instructions. The operating instructions shall be developed in accordance

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with this Agreement and any other binding agreement between the Parties in effect during operation of the Plant.

6.7 If applicable, LIPA shall undertake design of and performance of verification studies for the Plant.

6.8 In order for LIPA to make a timely assessment of Generator's compliance with the requirements of Section 6.4 of this Agreement, prior to the Date of Initial Interconnection, Generator will submit to LIPA for LIPA's review, engineering drawings of the Plant, including detailed one-line functional relaying drawings, three-line alternate current ("AC") schematics, and all AC and direct current control schematics associated with the Plant. Such engineering drawings shall be of sufficient scope and detail to permit LIPA to reasonably assess Generator's compliance with the design requirements of Section 6.4 of this Agreement. Generator will send final engineering drawings to LIPA at least one (1) month prior to the Date of Initial Interconnection. LIPA shall provide written approval of the final engineering drawings promptly after Generator's submission to LIPA and prior to the Date of Initial Interconnection, which written approval shall not be unreasonably withheld or delayed. The Plant shall not be interconnected with LIPA's System until the Generator's Interconnection Facilities and the Plant have been approved by the New York Board of Fire Underwriters (or other similar body having jurisdiction).

6.9 Generator shall have the right to install its own meters at the Plant and shall maintain them according to Good Utility Practice. Prior to the Commercial Operation Date, Generator shall install, to specifications provided by LIPA and at Generator's expense, adequate metering and communications equipment as described in Appendices A and B. Generator shall pay the monthly charges associated with such communication channel(s).

6.10 Except as otherwise provided herein, each Party shall maintain its equipment and facilities and perform its maintenance obligations that could reasonably be expected to affect the operations of the other Party, according to Good Utility Practice. Unless the Parties mutually agree to a different arrangement, neither Party shall be responsible for performing the maintenance of the other Party's equipment, regardless of the location of said equipment.

6.11 Each Party may request, pursuant to Good Utility Practice, that the other Party test, calibrate, verify or validate its telemetering, data acquisition, protective relay equipment, control equipment or systems, or any other equipment or software pursuant to Good Utility Practice or for the purpose of troubleshooting problems on interconnected facilities, consistent with the other Party's obligation to maintain its electric generation equipment and facilities.. In the event that such testing reveals that no problems exist with the equipment or systems in question, the Party requesting such testing shall be responsible for all costs and expenses related to the requested test(s). Each Party shall be responsible for all costs to test, calibrate, verify or validate its own equipment or software at intervals required by NYISO or any successor RTO. Each Party shall supply the Party requesting the test, at no cost to such Party, with copies of the resulting inspection reports, installation and maintenance documents, test and calibration records, verification and validations of the telemetering, data acquisition, protective relay, or other equipment or software.

6.12 From time to time, modifications may be required of the Interconnection Facilities due to, but not limited to, general usage, unforeseen damage, operating requirements of the Plant, or operating requirements of LIPA's System. When such modifications are required, the Parties will jointly determine

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the reason for the modification. Generator shall be responsible for all costs associated with modifications to the Interconnection Facilities that are required to accommodate the interconnection of Generator's Plant. Any modifications to the Interconnection Facilities during the term of this Agreement must conform to the requirements of Exhibit B to this Agreement. If deemed to be a Material Modification, the modification will be studied pursuant to the procedures in the SGIP for new applications.

**ARTICLE 7  
ISOLATION RIGHTS**

7.1 LIPA shall be responsible for installing such equipment or control system as determined by LIPA to allow for the disconnection of the Plant from LIPA's System. LIPA shall at all times during the term of this Agreement have access to the disconnect switch as indicated in Exhibit A to this Agreement to electrically isolate the Plant from LIPA's System pursuant to Section 7.4.

7.2 LIPA shall design, operate, and maintain LIPA's Interconnection Facilities so such equipment or control system automatically disconnects the Plant from LIPA's System in the event of: (a) the occurrence of a fault on that portion of LIPA's System serving the Plant, in accordance with the requirements specified in this Agreement; (b) de-energization of the portion of LIPA's System that interconnects with the Plant; (c) an equipment failure or other condition occurring in the Interconnection Facilities or the Plant which creates or contributes to a System Emergency or System Pre-Emergency.

7.3 LIPA shall design, operate and maintain LIPA's Interconnection Facilities to fail in an open position, so that the Plant and LIPA's System will disconnect if there is any failure of a disconnect device on the Interconnection Facilities.

7.4 LIPA shall give advance notice to Generator of the need for disconnection of the Plant from LIPA's System, and coordinate with Generator on any such disconnection of the Plant, provided however, that LIPA may, in accordance with Good Utility Practice, disconnect the Plant without prior notice to Generator and maintain such disconnection if:

- (a) failing to disconnect the Plant from LIPA's System would create or contribute to a System Emergency or System Pre-Emergency;
- (b) immediate maintenance operations are required on LIPA's System to prevent a System Emergency or System Pre-Emergency; or
- (c) isolation is required to facilitate restoration of system outages or for safety considerations.

7.5 Whenever LIPA disconnects the Plant without prior notice to Generator, LIPA shall provide immediate oral notice, to be followed by written notice to Generator within one (1) day of such disconnection, which oral and written notice shall provide the reason, and, if possible, the expected duration of such disconnection.

7.6 LIPA may also request Generator to disconnect the Plant to perform non- immediate maintenance operations on LIPA's System that (a) are consistent with Good Utility Practice, including disconnecting the Plant in order to interconnect another generator to LIPA's System, and (b) require the Plant to be disconnected in order for LIPA to perform such maintenance on LIPA's System, provided that

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a minimum of twenty-four (24) hours of advance notice and an estimate of the duration of such disconnection are provided to Generator by LIPA. To the extent possible, LIPA will schedule all such maintenance operations of LIPA's System and LIPA's Interconnection Facilities at times that are mutually convenient for LIPA and Generator and in accordance with Good Utility Practice and taking into consideration Generator's schedule of planned outages.

7.7 Following any LIPA disconnection of the Plant, reconnection shall occur when:

- (a) all existing System Emergency or System Pre-Emergency conditions have been corrected; or
- (b) in the case of maintenance required on LIPA's System, such maintenance has been completed; and
- (c) it is safe to do so in accordance with Good Utility Practice.

7.8 Generator shall give advance notice to LIPA of the need for disconnection of the Plant from LIPA's System (other than regularly planned disconnections as required under LIPA Tariff SC-13), and coordinate with LIPA on any such disconnection of the Plant, provided however, that Generator may disconnect the Plant without prior notice to LIPA and maintain such disconnection if:

- (a) failing to disconnect the Plant from LIPA's System would create or contribute to a System Emergency or System Pre-Emergency;
- (b) immediate maintenance operations are required to prevent a System Emergency or System Pre-Emergency; or
- (c) isolation is required for safety considerations.

7.9 Whenever Generator disconnects the Plant without prior notice to LIPA, Generator shall inform LIPA as quickly as possible of the time, reason, and, if possible, the expected duration of such disconnection.

7.10 Following any Generator disconnection of the Plant, reconnection shall occur when:

- (a) all existing System Emergency or System Pre-Emergency conditions have been corrected; or
- (b) in the case of maintenance, such maintenance has been completed; and
- (c) it is safe to do so in accordance with Good Utility Practice.

**ARTICLE 8  
INSPECTION AND ACCESS RIGHTS**

8.1 Generator shall provide LIPA with access to the Interconnection Facilities located on the Project Site at reasonable times, including weekends, and upon reasonable prior notice. The notice condition does not apply in the case of a System Emergency, and LIPA shall at all times during the term

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of this Agreement have access to the disconnect switch, as indicated in Exhibit A to this Agreement, to electrically isolate the Plant from LIPA's System pursuant to Article 7.

8.2. While at the Project Site, all representatives of LIPA shall observe such safety precautions as may be required by law or by Generator, and shall conduct themselves in a manner that is consistent with Good Utility Practice and that will not interfere with the operation of the Plant or the Generator's Interconnection Facilities.

8.3 Neither Party shall construct any facilities or structures or engage in any activities that will interfere with the rights granted to the other Party under this Agreement or rights-of-way, licenses, or easements secured by and/or for the other Party.

8.4 The access rights granted hereunder shall be effective for the term of this Agreement and shall neither be revoked, nor shall either Party take any action that would impede, restrict, diminish, or terminate the rights of access or use granted by such access rights.

8.5 Each Party shall have the right to inspect or observe, at its own expense, the maintenance activities, equipment tests, installation, construction, or other modifications to the other Party's Interconnection Facilities and associated telecommunication facilities, as the case may be, which may reasonably be expected to adversely affect the observing Party's operations or liability. The Party desiring to inspect or observe shall notify the other Party in accordance with the notification procedures set forth in Article 13 of this Agreement. If the Party inspecting the equipment, systems, or facilities observes any deficiency or defects that may be reasonably be expected to adversely affect the operations of the observing Party's system or facilities, the observing Party shall notify the other Party, and the other Party shall make any corrections necessitated by Good Utility Practice

8.6 Subject to the provisions of Section 11.1, each Party shall be solely responsible for and shall assume all liability for the safety and supervision of its own employees, agents, representatives, and subcontractors. All work performed by either Party that reasonably could be expected to affect the operations of the other Party shall be performed in accordance with all applicable laws, rules, and regulations pertaining to the safety of persons or property, including, without limitation, compliance with the safety regulations and standards adopted under the Occupational Safety and Health Act of 1970, as amended from time to time, the National Electrical Safety Code, as amended from time to time, and Good Utility Practice.

**ARTICLE 9  
EVENTS OF DEFAULT; TERMINATION**

9.1 Event of Default. The occurrence of one or more of the following events so long as the same is continuing shall constitute an "Event of Default" under this Agreement:

- (a) Failure by either Party to substantially perform any material obligation under this Agreement, and which failure continues for a period of forty-five (45) days after notice thereof has been received by such Party from the non-defaulting Party; or



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- (b) Failure by either Party to pay any undisputed amount due under this Agreement which continues for a period of thirty (30) days after notice of such non- payment is delivered to the defaulting Party; or
- (c) The dissolution or liquidation of a Party or the issuance of any order, judgment or decree by a court of competent jurisdiction under the bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction whether now or hereafter in effect adjudicating a Party bankrupt or insolvent or otherwise granting relief under any such law; or
- (d) A Party petitions or applies to any tribunal for, or consents to the appointment of or taking possession by, a receiver, liquidator, custodian, trustee or similar official of such Party or of a substantial part of the assets of such Party; or any such petition or application is filed or any such proceedings are commenced against a Party and such Party by any act indicates its approval thereof, consent thereto or acquiescence therein or such petition or application remains undismissed for sixty (60) days; or
- (e) A Party makes a general assignment for the benefit of its creditors or makes an admission in writing that it is unable to pay its debts generally as they become due; or
- (f) The revocation or loss of any license, permit, or other governmental approval (i) materially affecting Generator's ability to operate the Plant or Generator's Interconnection Facilities, or (ii) materially affecting LIPA's ability to operate LIPA's Interconnection Facilities, provided that but for Generator's or LIPA's negligence, as the case may be, no such revocation or loss of such license, permit or other governmental approval would have ensued.

9.2 Notice and Opportunity to Cure Event of Default. Upon actual discovery of an Event of Default, a Party claiming the occurrence of such Event of Default must promptly provide the alleged defaulting Party with a Notice of Default and the defaulting Party shall have, in the case of failure to pay any undisputed amount, thirty (30) days and, in other defaults, forty- five (45) days to complete one of the following:

- (a) cure the Event of Default; or
- (b) if such default reasonably requires additional time to cure then such defaulting Party will, from the date such Party receives the Notice of Default, have (i) such longer time as is reasonable under the circumstances, not to exceed the greater of one hundred and eighty (180) days or to the mid-point of the next Summer Season to complete such cure or (ii) if the defaulting Party provides a commercially reasonable cure plan acceptable to the other Party that requires more time than provided in Section 9.2 above ("Cure Plan"), then the defaulting Party shall be extended such additional time provided for in the Cure Plan to cure the Event of Default and the other Party shall have no right to terminate this Agreement, provided that the defaulting Party diligently pursues such Cure Plan; or
- (c) undertake dispute resolution pursuant to Article 10.

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9.3 Dispute of Claim of Event of Default. If, within thirty (30) days of the service of a Notice of Default pursuant to Section 9.2, the Party alleged to be in default disputes in writing that an Event of Default has occurred, either Party may seek resolution of such dispute pursuant to the terms of Article 10, and this Agreement shall not be terminated by the Party claiming the occurrence of the Event of Default prior to such resolution of such dispute pursuant to the procedures of Article 10.

9.4 Remedies. This Agreement may be terminated by the non-defaulting Party effective immediately upon the non-defaulting Party providing written notice to the defaulting Party of termination if: (a) the defaulting Party or its Lenders fail to cure the Event of Default within the cure periods provided under Section 9.2 and any action for dispute resolution under Article 10 with respect to the alleged Event of Default has been completed and not determined favorably to the allegedly defaulting party; or (b) through the dispute resolution process under Article 10, it is determined that an Event of Default has occurred and the defaulting Party, pursuant to terms of this Agreement has not cured or diligently endeavored to cure, the default, as the case may be. Upon termination, the non-defaulting Party shall be entitled to such damages as are available at law and equity, subject to Article 11 hereof. The termination of this Agreement under this Section 9.4 shall not discharge either Party from any obligations, which may have accrued under this Agreement prior to such termination.

**Postponed**

**ARTICLE 10  
DISPUTE RESOLUTION**

10.1 Any dispute arising out of, or relating to, this Agreement, with the exception of termination pursuant to Section 9.4 or a breach of a Party's indemnity obligations under Article 11 or a Party's obligations under Article 15 of this Agreement, shall be subject to the dispute resolution procedures specified in this Article 10 which shall constitute the sole and exclusive procedures for the resolution of such disputes.

10.2 The Parties agree to use commercially reasonable efforts to settle promptly any disputes or claims arising out of or relating to this Agreement through negotiation conducted in good faith between executives of the Parties having authority to reach such a settlement. Either Party may by written notice to the other Party, refer any such dispute or claim for advice or resolution to mediation by a suitable mediator. The mediator shall be chosen by the mutual agreement of the Parties. If the Parties are unable to agree on a mediator, each Party shall designate a qualified mediator who, together with the mediator designated by the other, shall choose a single mediator for the particular dispute or claim. If the mediator chosen is unable, within thirty (30) days of such referral to reach a determination that is acceptable to the Parties, the matter shall be referred to arbitration as set forth below. All negotiation and mediation discussions pursuant to this Section 10.2 shall be confidential, subject to applicable law, and shall be treated as compromise and settlement negotiations for purposes of Federal Rule of Evidence 408 and applicable state rules of evidence.

10.3 Except for claims for temporary injunctive relief under Section 10.5, neither Party shall bring any action at law or in equity to enforce, interpret, or remedy any breach or default of this Agreement without first complying with the provisions of this Article 10; provided however, that if the Arbitrators (as defined below) fail to issue a decision within one hundred eighty (180) days after the commencement of arbitration under Section 10.4, then either Party may bring any action at law or in equity to seek enforcement, interpretation or remedy of any breach of this Agreement.

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10.4 Any dispute subject to resolution under this Article 10, which has not been resolved by discussion or mediation within thirty (30) days from the date that either negotiations or mediation shall have commenced and which is not subject to the FERC's jurisdiction shall be settled by arbitration before three (3) independent and impartial arbitrators (the "Arbitrators") in accordance with the then current commercial arbitration rules of the American Arbitration Association, except to the extent that such rules are inconsistent with any provision of this Agreement, in which case the provisions of this Agreement shall be followed, and except that the arbitration under this Agreement shall not be administered by the American Arbitration Association without the express agreement of the Parties. The Arbitrators shall be (i) independent of the Parties and disinterested in the outcome of the dispute, (ii) persons otherwise experts in the electric utility industry, including bulk power markets and transmission systems, and (iii) qualified in the subject area of the issue in dispute. The Parties shall choose the Arbitrators within thirty (30) days, with each Party choosing one Arbitrator and those two Arbitrators choosing the third Arbitrator. Judgment on the award rendered by the Arbitrators may be entered in any court in the State of New York having jurisdiction thereof. If either Party refuses to participate in good faith in the negotiations or mediation proceedings described in Section 10.2, the other Party may initiate arbitration at any time after such refusal without waiting for the expiration of the applicable time period. Except as provided in Section 10.5 relating to provisional remedies, the Arbitrators shall decide all aspects of any dispute brought to them including attorney disqualification and the timeliness of the making of any claim.

10.5 Either Party may, without prejudice to any negotiation, mediation or arbitration procedures, proceed in the courts of the State of New York to obtain provisional judicial relief if, in such Party's sole discretion, such action is necessary to protect public safety, avoid imminent irreparable harm, provide uninterrupted electrical and other services, or preserve the status quo pending the conclusion of any dispute resolution procedures employed by the Parties or pendency of any action at law or in equity. Except for temporary injunctive relief under this Section, neither Party shall bring any action at law or in equity to enforce, interpret, or remedy any breach or default of this Agreement without first complying with the provisions of this Article; provided, however, that if the Arbitrators fail to issue a decision within one hundred eighty (180) days after the commencement of arbitration under Section 10.3, then either Party may bring any action at law or in equity to seek enforcement, interpretation or remedy of any breach of this Agreement.

10.6 The Arbitrators shall have no authority to award damages excluded under Article 11 or any other damages aside from the prevailing Party's actual, direct damages plus interest at the Interest Rate for each day commencing on the date such damages were incurred through date of payment. The Arbitrators shall not have the authority to make any ruling, finding, or award that does not conform to the terms and conditions of this Agreement. The Arbitrators' award shall be in writing and shall set forth the factual and legal bases for the award. The Parties to the arbitration shall each bear their own litigation expenses for the arbitration and shall evenly divide the common costs of the arbitration.

10.7 Unless otherwise agreed to in writing or prohibited by applicable law, the Parties shall continue to provide service, honor all commitments under this Agreement, and continue to make payments in accordance with this Agreement during the course of any dispute resolution under this Article and during the pendency of any action at law or in equity or any arbitration proceeding relating hereto.

10.8 All applicable statutes of limitation and defenses based upon the passage of time and similar contractual limitations shall be tolled while the procedures specified in this Article 10 are pending.

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The Parties will take such action, if any, required to effectuate such tolling. Without prejudice to the procedures specified in this Article 10, a Party may file a complaint for statute of limitations purposes, if in its sole judgment such action may be necessary to preserve its claims or defenses. Despite such action, the Parties will continue to participate in good faith in the procedures specified in this Article 10.

10.9 The Arbitrators shall have the discretion to order a pre-hearing exchange of information by the Parties, including, without limitation, the production of requested documents, the exchange of summaries of testimony of proposed witnesses, and the examination of the Parties by deposition. The Parties hereby agree to produce all such information as ordered by the Arbitrators and shall certify that they have provided all applicable information and that such information was true, accurate and complete

10.10 The site of any arbitration brought pursuant to this Agreement shall be in a location in Nassau County, New York County or Suffolk County as is mutually agreed to by the Parties.

# Consideration

ARTICLE 11  
INDEMNITY, LIMITATION OF LIABILITY; INSURANCE

11.1 Indemnity. Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and hold the other Party and T&D Manager (the “Indemnified Party”) harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, the alleged violation of any Environmental Law, or the release or threatened release of any Hazardous Substance, demands, suits, recoveries, costs and expenses, court costs, attorneys’ fees, and all other obligations by or to third parties, arising out of or resulting from (a) the Indemnifying Party’s performance of its obligations, or its actions or inactions, under this Agreement, except as expressly provided otherwise herein, (b) the Indemnified Party’s actions or inactions in performing obligations on behalf of the Indemnifying Party in accordance with this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party or (c) the violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of any Hazardous Substance.

11.2 Indemnified Party. If an Indemnified Party is entitled to indemnification under this Article 11 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this Article 11, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

11.3 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 11, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual loss, net of any insurance or other recovery, except that any insurance carrier shall be subrogated to the Indemnified Party’s interest to the extent of any insurance recovery paid to the Indemnified Party.

11.4 Indemnity Procedures. Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article 11 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless and to the extent that such failure or delay is materially prejudicial to the Indemnifying Party.

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11.5 Except as stated below, the Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

11.6 The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in which event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be unreasonably withheld, conditioned or delayed.

11.7 LIPA Equipment Design and Review. Notwithstanding any other provisions of this Agreement, neither LIPA or T&D Manager, or their officers, trustees, employees, and agents nor those of their parents shall be liable to Generator, or its contractors or subcontractors, for any claims, costs, expenses, losses, lawsuits, judgments, attorney's fees or damages arising out of LIPA's or T&D Manager's equipment design and review, except for instances arising out of LIPA's failure to act in accordance with Good Utility Practice, gross negligence or willful misconduct. Generator shall indemnify and hold LIPA and T&D Manager, and their officers, trustees, employees, and agents, harmless from any claims, costs, expenses, losses, damages or judgments made against LIPA and/or T&D Manager or incurred by any of Generator's contractors or subcontractors except for instances arising out of LIPA's failure to act in accordance with Good Utility Practice, gross negligence or willful misconduct. This indemnification and hold harmless obligation shall be separate from and independent of any other obligations of Generator to indemnify and hold harmless LIPA and its officers, directors, employees, and agents.

11.8 Consequential Damages. Except for indemnity and defense of action obligations set forth in this Article 11, in no event shall either Party or T&D Manager be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages (including attorney's fees or litigation costs), including but not limited to loss of profit, revenue or opportunity, loss of the use of equipment or facilities, cost of capital, cost of temporary or substitute equipment, facilities, services or replacement power, down time costs; and claims of customers of either Party, connected with, or resulting from, performance or non-performance of this Agreement or any action undertaken in connection with, or related to this Agreement, including, without limitation, any such damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty or strict liability.

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11.9 Survival. Each Party's indemnification and defense of action obligations under this Article for acts or occurrences prior to the expiration, termination, completion, suspension or cancellation of this Agreement shall continue in full force and effect regardless of whether this Agreement expires, terminates, or is suspended, completed or canceled. Except as noted above, such obligations shall not be limited in any way by any limitation on insurance, by the amount or types of damages, or by any compensation or benefits payable by the Parties under workers' compensation acts, disability benefits acts or other employee acts, or otherwise.

11.10 Insurance. Prior to the commencement of this Agreement, Certificates of Insurance from Generator and LIPA and / or all of Generator's and LIPA's contractors / subcontractors that perform activities on the Project Site relative to this Agreement, shall be furnished to Generator and LIPA, as the case may be. Each Party shall, at its own expense, maintain in force throughout the term of this Agreement, and until released by the other Party, the following minimum insurance coverage, with insurers authorized to do business in the State of New York. The generator must have added T&D Manager, LIPA, and the Authority as additional insureds under the following coverages:

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- (a) Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Attachment is located.
  - (b) Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of one million dollars (\$1,000,000.00) per occurrence/one million dollars (\$1,000,000.00) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
  - (c) Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars (\$1,000,000.00) per occurrence for bodily injury, including death, and property damage.
  - (d) Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of twenty million dollars (\$20,000,000.00) per occurrence/twenty million dollars (\$20,000,000.00) aggregate.
  - (e) The Commercial General Liability Insurance, Comprehensive Automobile Insurance, and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. For LIPA, Other Party Group shall include the Authority and T&D Manager and its affiliates. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) days advance written notice to the Other Party

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Group prior to anniversary date of cancellation or any material change in coverage or condition. Insurance as specified herein must be maintained at all times during the life of this Agreement. Each Party shall provide the other Party with renewal certificates if said insurance policies are to expire prior to the expiration or termination of this Agreement. Said certificates must be provided within ten (10) days after the renewal date. Insurance as specified herein must be maintained at all times throughout the term of this Agreement.

- Consideration**
- (f) The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one (1) insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- Postponed**
- (g) The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and Excess Public Liability Insurance policies shall be on an occurrence basis.
- (h) The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.
- (i) Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.
- (j) Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of this Article 11 to the extent it maintains a self- insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of this Article 11. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under this Article 11. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in this Article 11.
- (k) The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

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**ARTICLE 12**  
**FORCE MAJEURE**

12.1 The term “Force Majeure Event” as used herein means those acts, omissions or circumstances which are outside of the affected Party’s control and which could not be reasonably anticipated or avoided in accordance with Good Utility Practice, including without limitation any act of God, strikes or other labor disputes, acts of the public enemy, accidents, war (declared or otherwise), invasion, civil disturbance, riots, fires, storms, flood, ice, earthquakes, explosions, or action or inaction of a Governmental Authority (other than LIPA) that precludes the construction, interconnection or operation of the Plant. A Force Majeure Event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

12.2 If a Force Majeure Event causes either Party to be rendered wholly or partly unable to perform its obligations under this Agreement, except for the obligation to make payments under this Agreement when due, that Party shall be excused from performance or liability for damages to the other Party solely to the extent and during such period such Party’s performance is affected.

12.3 Any Party claiming Force Majeure shall: (i) provide prompt oral notice followed by written notice to the other Party within three (3) Business Days of such Force Majeure Event giving a detailed written explanation of the event and estimate of its expected duration and probable effect on the performance of that Party’s obligations hereunder, and (ii) use due diligence in accordance with Good Utility Practice to continue to perform its obligations under this Agreement to the extent unaffected by the Force Majeure Event and to remove promptly the condition that prevents performance and to mitigate the effects of the same, except that settlement of any strike or labor dispute shall be in the sole judgment of the affected Party.

12.4 No obligations of either Party which arose before the occurrence of the Force Majeure Event causing the suspension of performance are excused as a result of the occurrence.



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**ARTICLE 13  
NOTICES**

All notices shall be in writing and shall be deemed sufficiently given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, hand-delivered, sent by facsimile transmission (confirmed in writing) or sent by recognized overnight courier service, addressed as follows:

**Consideration**

To LIPA:

**Postponed**

PSEG Long Island  
333 Earle Ovington Boulevard, Suite 403  
Uniondale, New York 11553  
Attention: Vice President of T&D Operations

With a copy to:

Long Island Power Authority  
333 Earle Ovington Boulevard, Suite 403  
Uniondale, New York 11553  
Attention: General Counsel  
Fax: (516) 222-9137

To T&D Manager:

PSEG Long Island  
Power Asset Management (PAM)  
175 East Old Country Road  
Hicksville, New York 11801  
Attention: Manager, Power Asset Management

To Generator:

[NAME]  
[ADDRESS]  
Attention: [NAME AND TITLE]  
Fax: \_\_\_\_\_

or such other and different addresses as may be designated in writing by the Parties.

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**ARTICLE 14  
ASSIGNMENT OR TRANSFER**

Neither this Agreement nor any rights or obligations hereunder may be assigned or transferred, by either Party without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed; provided that this Agreement may be assigned to an Affiliate with the understanding that no such assignment shall relieve the assigning Party from its obligations hereunder; and further provided that the restrictions on assignment contained in this Article shall not in any way prevent either Party from pledging, mortgaging or assigning its rights hereunder as security for its indebtedness.) Except as otherwise provided in this Article, a Party shall only consent to an assignment by the assigning Party if, in the non-assigning Party's reasonable judgment, the assignee is fully capable of performing all of the assigning Party's obligations under this Agreement and possesses the technical capability, experience, and financial capability to perform in the manner required. At least thirty (30) days prior to the effective date of the proposed assignment, the assigning Party shall deliver to the non-assigning Party an assignment and assumption agreement, duly executed, in which the assignee unconditionally assumes all of its assignor's obligations to the non-assigning Party and agrees to be bound by all of the terms and conditions of this Agreement, and whereby the assignee makes certain additional representations and warranties as appropriate for assignee as contained in this Section. Any purported assignment of this Agreement not in accordance with this Article shall be of no force and effect. Provided however, that a proposed assignment, notice of which is provided less than thirty (30) days prior to its proposed effective date shall be effective thirty (30) days following such notice.

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**ARTICLE 15  
CONFIDENTIALITY**

15.1 Claim of Confidentiality.

- Consideration Postponed**
- (a) In connection with this Agreement, the Parties and I&D Manager may exchange information that is deemed to be confidential whether such information is provided in written, oral, electronic or other format (“Confidential Information”). The Party disclosing such Confidential Information is referred to herein as the “Disclosing Party” and the Party receiving such Confidential Information is referred to herein as the “Receiving Party.” The Disclosing Party shall mark all written Confidential Information as “Confidential,” “Proprietary” or the like and in the case of Confidential Information that is communicated orally, the Disclosing Party shall within thirty (30) days follow up such communication with a writing addressed to the Receiving Party generally describing the information and identifying it as Confidential Information. The Parties acknowledge that all information disclosed by Generator in connection with costs, pricing or operation of the Plant shall be treated as Confidential Information whether or not such information is marked or identified as Confidential Information. LIPA shall not disclose such Confidential Information without Generator’s written consent, which may be withheld in Generator’s sole discretion, unless LIPA is otherwise required by law to make such disclosure.
- (b) The Receiving Party shall protect the Confidential Information from disclosure to third parties consistent with the provisions of this Article 15 and subject to applicable law, provided however, a Receiving Party may disclose Confidential Information to its Affiliates, Lenders, employees, agents or representatives of such Receiving Party, where such Affiliate, Lender, employee, agent or representative expressly agrees to be bound by the terms of this Article 15 and provided further that the Receiving Party shall be liable for any breach by its Affiliates, Lenders, employees, agents or representatives.
- (c) It is further understood and agreed that money damages would not be sufficient remedy for any breach of this Article 15, and that if a Party breaches this Article 15, the Party disclosing Confidential Information to such breaching Party shall be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach. The breaching Party agrees to waive any requirement for the posting of a bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Article 15 but shall be in addition to all other remedies available at law or equity. In the event of any legal action based upon or arising out of this Article 15, the prevailing Party in such action shall be entitled to recover reasonable attorney’s fees and costs from the other Party.

15.2 Compliance with Law. If either Party is required by law to disclose Confidential Information of the other Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise), the Party required to make such disclosure will (i) notify the other Party and provide the other Party the opportunity to review the Confidential Information, and (ii) provide the other Party the opportunity to seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained or is not

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pursued within a reasonable period of time, the Party required to make disclosure or such Party's representatives will furnish only that portion of the Confidential Information that it is legally required to disclose and the Party required to make disclosure will request that confidential treatment be accorded the Confidential Information by relevant third parties.

15.3 Compliance with the Freedom of Information Law. If LIPA is requested by a third party to disclose Confidential Information pursuant to the Freedom of Information Law ("FOIL"), LIPA will (i) notify Generator of the request and provide Generator the opportunity to review the Confidential Information; (ii) provide Generator the opportunity to provide information regarding the need for confidential treatment; (iii) evaluate the third party's request for disclosure and Generator's request for confidential treatment; and (iv) determine if the Confidential Information is subject to disclosure under FOIL. If LIPA determines that the Confidential Information is subject to disclosure, it will provide prompt written notice of such determination to Generator so that Generator may seek a protective order or other appropriate remedy. If Generator does not obtain a protective order or no formal proceeding has been initiated by Generator within a reasonable period of time after LIPA provides notice to Generator of its intent to make public the Confidential Information, then LIPA may disclose such information with no liability or further obligation to Generator.

15.4 Treatment of Otherwise Publicly Available Documents. Notwithstanding anything to the contrary in this Article, neither Party shall be required to hold confidential any information that (i) becomes publicly available other than through disclosure by the Receiving Party; (ii) is independently developed by the Receiving Party; or (iii) becomes available to the Receiving Party without restriction from a third party, provided that such third party is not bound by a confidentiality agreement with the Disclosing Party or its representatives. Should any person or entity seek to legally compel a Receiving Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise) to disclose any Confidential Information, the Receiving Party will provide the Disclosing Party prompt written notice so that the Disclosing Party may seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained, the Receiving Party or the Receiving Party's representative will furnish only that portion of the Confidential Information that it is legally required to disclose and the Receiving Party will request that confidential treatment be accorded the Confidential Information by relevant third parties.

15.5 Term of Confidentiality. The obligations set forth in this Article shall survive expiration or termination of this Agreement for a period of two years after expiration or termination of this Agreement.

**ARTICLE 16**  
**MISCELLANEOUS**

16.1 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns.

16.2 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and which together shall constitute one and the same instrument.

16.3 Records. Each Party shall establish and maintain complete and accurate books, records, documents, accounts, and other evidence directly pertinent to performance under this Agreement

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(hereinafter, collectively, the “Records”). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The New York State Comptroller, the New York State Attorney General, and any other person or entity authorized to conduct an examination, as well as the New York State agency or agencies involved in this Agreement, shall have access to the Records during normal business hours at Generator’s or LIPA’s offices, as the case may be, within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the state, for the term specified above for the purposes of inspection, auditing, and copying. LIPA shall take reasonable steps to protect from public disclosure any of the Records that are exempt from disclosure under Section 87 of the Public Officers Law (the “Statute”), provided that: (i) Generator shall timely inform LIPA, in writing, that said Records should not be disclosed; (ii) said Records shall be sufficiently identified; and (iii) designation of said Records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, Generator’s or LIPA’s right to discovery in any pending or future litigation.

16.4 Amendments. This Agreement may not be amended, changed, modified or altered except in writing and signed by the Parties.

16.5 Severability. If any article, phrase, provision, or portion of this Agreement is, for any reason, held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, phrase, provision or portion so adjudged shall be deemed separate, distinct, and independent, and only deemed invalid in that particular instance, and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated, rendered illegal, unenforceable, or otherwise affected by such adjudication.

16.6 Prior Agreements Superseded. This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Parties relating to the subject matter hereof.

16.7 Survival. Provisions of this Agreement which by their nature would survive termination or expiration of the Agreement shall survive. Without limitation of the preceding sentence, applicable provisions of this Agreement shall continue in effect after expiration or termination of this Agreement as specifically provided herein and to the extent necessary to provide for final billings, billing adjustments, and payments pertaining to liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

16.8 Dispute Resolution. Any disputes arising under this Agreement shall be resolved in accordance with the procedures established in Article 10 of this Agreement.

16.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York notwithstanding its conflict of laws provisions.

16.10 Waiver. No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. If any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

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16.11 Taxes. The Parties shall use reasonable efforts to administer this Agreement and implement the provisions thereof in accordance with their intent to minimize taxes.

16.12 Non-interference. Each Party agrees that it will not construct any facilities or structures at the Project Site or engage in any activity at the Project Site that will materially interfere with the rights granted to the other Party under this Agreement.

16.13 Further Assurances. Each of the Parties hereto shall execute and deliver any and all additional documents or instruments (including easements and other rights in land), in recordable form, and provide other assurances, obtain any additional permits, licenses, and approvals required, and shall do any and all acts and things reasonably necessary, to carry out the intent of the Parties hereto and to confirm the continued effectiveness of this Agreement.

16.14 Headings. The headings used for the articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement.

16.15 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes and replaces any prior or contemporaneous undertakings, commitments, or agreements, oral or written, as to its subject matter. This Agreement may be modified or amended only by an instrument in writing signed by authorized representatives of the Parties on or after the date hereof.

*[Signature pages to follow on next page]*

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

LONG ISLAND ELECTRIC UTILITY SERVICE LLC  
Acting as agent for and behalf of  
LONG ISLAND LIGHTING COMPANY d/b/a LIPA

By: \_\_\_\_\_  
(Signature)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**[PARTY NAME]**

By: \_\_\_\_\_  
(Signature)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

Consideration  
Postponed

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**EXHIBIT A  
SYSTEM ONE-LINE / POINT OF ATTACHMENT  
AND INTERCONNECTION AND INTERCONNECTION  
FACILITIES / DEMARCATION POINTS**

**Consideration  
Postponed**



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**EXHIBIT B  
INTERCONNECTION AND METERING REQUIREMENTS**

**Interconnection Procedures and Requirements**

The Interconnection Facilities shall be subject to the interconnection standards provided in the “Small Generator Interconnection Procedures For Distributed Generators and Energy Storage Systems Less than 10 MW Connected in Parallel with LIPA’s Radial Distribution Systems”, “PSEG Long Island’s Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA’s Distribution System” and “Specification & Requirements for Electric Installation (Red Book).”

**Metering Requirements**

Metering pursuant to the terms of this Agreement shall be subject to the PSEG Long Island’s Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA’s Distribution System”, “Specification & Requirements for Electric Installation (Red Book)” and “Revenue Metering Requirements for Generating Facilities interconnection to the LIPA Transmission System.”

Add other procedures and requirements as applicable.

**Consideration  
Postponed**

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EXHIBIT C  
FACILITY DESIGN AND VERIFICATION STUDIES

# Consideration Postponed

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**EXHIBIT D  
COMMISSIONING, STARTUP, AND MAINTENANCE  
PROCEDURES FOR INTERCONNECTION FACILITIES**

**Introduction**

Testing of all protective devices shall be performed on the Generator's Interconnection Facilities prior to the final functional testing of the interconnection scheme. The testing shall be performed by Generator. Relay and operational tests shall be performed with maintenance intervals consistent with the latest version of NERC PRC-005 or any applicable reliability requirements. A certified relay test report shall be furnished to LIPA/T&D Manager within two weeks after completion of all testing. Generator shall notify LIPA/T&D Manager at least seven (7) business days in advance of the protective device testing to provide an opportunity for LIPA/T&D Manager to be present during the testing.

Submitted documentation of the operational relay testing shall include graphic or digital recordings of actual current and voltage levels obtained during the test(s). Each relay test shall include a calibration check and an actual trip of the circuit breaker from the relay being tested.

A log of all relay target indications resulting from automatic circuit breaker operations shall be maintained. The relay target information is utilized to verify cause of the failure and to determine if relays operated as expected to isolate the Generator's Interconnection Facilities from LIPA's transmission system. This data shall be reviewed periodically, and upon request, shall be made available for Generator's inspection.

**Operational Testing**

Detailed and coordinated operational test procedures shall be developed jointly by LIPA/T&D Manager and Generator. These test procedures must include relay settings, continuity of relay circuits, breaker trip and close coils (AC and DC circuits), insulation impedances of protective circuits and current and voltage transformers.

To the maximum degree practicable, the components used in protection systems shall be of proven quality, as demonstrated either by actual experience or by stringent tests under simulated operating conditions, to ensure that the reliability of the protection system shall not be degraded or reduced.

The test procedures must demonstrate that:

- (a) All relays operate from all possible sources of trip signals or voltage.
- (b) All relays trip the desired breaker(s).
- (c) The Generator's Interconnection Facilities will be isolated from the LIPA system for complete loss of the Facility.
- (d) The ratio and polarity of relay and instrument transformers are correct.
- (e) The phase angle characteristics of directional and other relays are correct.
- (f) Relays have been tested at pick-up and three multiples of minimum pick-ups (e.g., three, five, and eight times).

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All relays must be field verified and bench tested to meet the following tolerance criteria:

Test Parameter	Tolerance of Specified Settings
Current	+/- 5%
Voltage	+/- 5%
Time	+/- 5%
Frequency	+0.05 hertz
Phase Angle	+/- 3 degrees

The actual operational tests shall be performed after all equipment is installed and repeated every two years thereafter. Certified test results shall be submitted to LIPA/T&D Manager. Periodic inspections of AC and DC control power for all circuit breaker, reference single line diagrams, relay protection diagrams, and coordination test data must accompany test reports.

LIPA/T&D Manager shall be notified by Generator at least seven (7) business days prior to the operational tests.

**Maintenance**

All equipment associated with the Generator’s Interconnection Facilities shall be maintained by the Generator in accordance with the latest maintenance intervals in NERC PRC-005 or any applicable reliability requirements.

Add other procedures and requirements as applicable.

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**EXHIBIT E  
INTERCONNECTION COST ESTIMATE**

**Consideration**

The current interconnection estimate is [INSERT DOLLAR AMOUNT]

**Postponed**

The illustration above represents an estimate of reimbursable cost. Upon execution of this Agreement, generator will provide the T&D Manager with an advance payment of 30% of the T&D Manager's estimated costs, due within 90 business days of the fully executed Interconnection Agreement. Progress payments will be required during construction and any excess will be reconciled and invoiced upon completion of all work and final accounting of all costs.

**APPENDIX N**

Appendix N - Metering Requirements

Refer to the document entitled “Revenue Metering Requirements for Generator Facilities Interconnecting to the LIPA Transmission System” for PSEG Long Island’s interconnection technical requirements for Small Generators up to 10 MW.

Add other procedures and requirements as applicable.

Consideration

Postponed

**APPENDIX O**

Appendix O -Left Blank Intentionally

Consideration  
Postponed

**APPENDIX P1**

**Appendix P1 -Feasibility Study Agreement**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_  
20\_\_ by and between \_\_\_\_\_,  
a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_,  
("Interconnection Customer") and Long Island  
Lighting Company d/b/a LIPA ("LIPA"). Interconnection Customer and LIPA each may be referred to as  
a "Party," or collectively as the "Parties."

**Consideration**  
RECITALS

**WHEREAS**, Interconnection Customer is proposing to develop a Small Generator or generating capacity  
addition to an existing Small Generator consistent with the Interconnection Request completed by  
Interconnection Customer on \_\_\_\_\_; and

**WHEREAS**, Interconnection Customer desires to interconnect the Small Generator with LIPA's  
Distribution System; and

**WHEREAS**, Interconnection Customer has requested LIPA to perform a feasibility study to assess the  
feasibility of interconnecting the proposed Small Generator with LIPA's Distribution System, and of any  
Affected Systems;

**Postponed**

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the  
Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the  
meanings indicated or the meanings specified in the PSEG Long Island Small Generator Interconnection  
Procedures for Distributed Resources less than 10 MW Connected in parallel with LIPA Distribution  
Systems (PSEG Long Island Small Generator Interconnection Procedures).

2.0 The Interconnection Customer elects and LIPA shall cause to be performed an interconnection  
feasibility study consistent with the PSEG Long Island Small Generator Interconnection Procedures.

3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to  
this Agreement.

4.0 The feasibility study shall be based on the technical information provided by the Interconnection  
Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. LIPA  
reserves the right to request additional technical information from the Interconnection Customer as may  
reasonably become necessary consistent with Good Utility Practice during the course of the feasibility  
study and as designated in accordance with the PSEG Long Island Small Generator Interconnection  
Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete  
the feasibility study may be extended by agreement of the Parties.

5.0 In performing the study, LIPA shall rely, to the extent reasonably practicable, on existing studies  
of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however,  
the Interconnection Customer shall be responsible for charges associated with any new study or  
modifications to existing studies that are reasonably necessary to perform the feasibility study.



## APPENDIX P1

6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generator as proposed:

6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;

6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;

6.3 Initial review of grounding requirements and electric system protection; and

6.4 Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generator and to address the identified short circuit and power flow issues.

7.0 The feasibility study shall model the impact of the Small Generator regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generator is being installed.

8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.

9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$10,000 may be required from the Interconnection Customer.

10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within thirty (30) Business Days of the Interconnection Customer's agreement to conduct a feasibility study.

11.0 Any study fees shall be based on the actual costs associated with the study and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, LIPA shall refund such excess within thirty (30) calendar days of the invoice without interest. LIPA shall not be obligated to perform or continue to perform any Interconnection Study work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

13.0 Miscellaneous.

13.1 Accuracy of Information. Except as Interconnection Customer may otherwise specify in writing when it provides information to LIPA under this Agreement, Interconnection Customer represents and warrants that the information it provides to LIPA shall be accurate and complete as of the date the information is provided. Interconnection Customer shall promptly provide LIPA with any additional information needed to update information previously provided.

## APPENDIX P1

- 13.2 **Disclaimer of Warranty.** In preparing the system impact study, LIPA and any subcontractor or consultant to LIPA shall have to rely on information provided by Interconnection Customer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither LIPA nor any subcontractor or consultant to LIPA makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties or merchantability and fitness for a particular purpose, with regard to the accuracy, content or conclusions of the feasibility study. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representation or warranties have formed the basis of its bargain hereunder.
- 13.3 **Force Majeure.** For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement.
- 13.4 **Limitations of Liability.** In no event shall any Party or its subcontractor consultant be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the feasibility study or any reliance on the feasibility study by Developer or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall LIPA be liable for any delay in delivery or for the non-performance or delay in performance of LIPA's obligations under this Agreement.
- 13.5 **Indemnification.** Interconnection Customer shall at all times indemnify, defend, and save harmless LIPA, and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by LIPA under this Agreement, any bankruptcy filings made by Interconnection Customer, or the actions or omissions of Interconnection Customer in connection with this Agreement, except to the extent such Losses arise from the gross negligence or willful misconduct by LIPA or their respective directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify LIPA shall be several, and not joint or joint and several.
- 13.6 **Third-Party Beneficiaries.** Without limitation of Sections 13.2, 13.3 and 13.5 of this Agreement, Interconnection Customer further agrees that a subcontractor or consultant hired

## APPENDIX P1

by LIPA to conduct or review, or to assist in the conducting or reviewing, an Interconnection Feasibility Study shall be deemed third party beneficiaries with respect to Sections 13.2, 13.3, 13.4 and 13.5.

13.7 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 13.7, shall continue in effect for a term of one year or until the feasibility study for Interconnection Customer's Small Generator is completed, whichever event occurs first. Interconnection Customer or LIPA may terminate this Agreement upon the withdrawal of the Interconnection Customer's Application under Section II.A.4 of PSEG Long Island's Small Generator Interconnection Procedures.

13.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.

13.9 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null or void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

13.10 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

13.11 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.

13.12 Survival. All warranties, limitations of liability, indemnification and confidentiality provisions provided herein shall survive the expiration or termination hereof.

13.13 Independent Contractor. LIPA shall at all times be deemed to be an independent contractor and none of their employees or the employees of its subcontractors shall be considered to be employees of Interconnection Customer as a result of this Agreement.

13.14 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.

13.15 Successors and Assigns. This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. No assignment shall be permitted where the assignee is currently in litigation with one of the Parties to this Agreement.

13.16 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

14.0 All disputes shall be resolved in accordance with the procedures set forth in Section II.A.9 of the PSEG Long Island Small Generator Interconnection Procedures.

**APPENDIX P1**

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Long Island Electric Utility Service LLC  
acting as agent of and on behalf of  
Long Island Lighting Company d/b/a LIPA

[Insert name of Interconnection Customer]

By: \_\_\_\_\_ By: \_\_\_\_\_  
(Signature) (Signature)

# Consideration

Name: \_\_\_\_\_ Name: \_\_\_\_\_  
(Print) (Print)

Title: \_\_\_\_\_ Title: \_\_\_\_\_

Date: \_\_\_\_\_ Date: \_\_\_\_\_

# Postponed

**APPENDIX P2**

**Appendix P2 – Assumptions Used-In Conducting Feasibility Study**

**Attachment A to  
Feasibility Study Agreement**

**Assumptions Used in Conducting the Feasibility Study**

The feasibility study will be based upon the information set forth in the Interconnection Request and agreed upon in the scoping meeting held on \_\_\_\_\_:

1) Designation of Point of Interconnection and configuration to be studied.

2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and LIPA.

Consideration  
Postponed

**APPENDIX Q1**

**Appendix Q1 – System Impact Study**

**THIS AGREEMENT** is made and entered into this \_\_\_\_ day of \_\_\_\_\_ 20\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, (“Interconnection Customer,”) and Long Island Lighting Company d/b/a LIPA (“LIPA”). Interconnection Customer and LIPA each may be referred to as a “Party,” or collectively as the “Parties.”

**Consideration**  
RECITALS

**WHEREAS**, the Interconnection Customer is proposing to develop a Small Generator or generating capacity addition to an existing Small Generator consistent with the Interconnection Request completed by the Interconnection Customer on \_\_\_\_\_; and

**WHEREAS**, the Interconnection Customer desires to interconnect the Small Generator with LIPA’s Distribution System;

**WHEREAS**, LIPA has completed a feasibility study and provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); and

**WHEREAS**, the Interconnection Customer has requested LIPA to perform a system impact study(s) to assess the impact of interconnecting the Small Generator with LIPA’s Distribution System, and of any Affected Systems;

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the PSEG Long Island Small Generator Interconnection Procedures for Distributed Resources less than 10 MW Connected in parallel with LIPA Distribution Systems (PSEG Long Island Small Generator Interconnection Procedures).

2.0 The Interconnection Customer elects and LIPA shall cause to be performed a system impact study(s) consistent with the PSEG Long Island Small Generator Interconnection Procedures.

3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. LIPA reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.

## APPENDIX Q1

5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.

6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.

7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and LIPA has twenty (20) additional Business Days to complete a system impact study requiring review by Affected Systems.

8.0 If LIPA uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced -

- 8.1 Are directly interconnected with LIPA's System; or
- 8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
- 8.3 Have a pending higher queued Interconnection Request to interconnect with LIPA's System.

9.0 A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within thirty (30) Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within forty-five (45) Business Days after this Agreement is signed by the Parties, or in accordance with LIPA's queuing procedures.

10.0 The Interconnection Customer shall provide to LIPA a deposit of \$10,000 or other commercially reasonable security in an amount equivalent to the good faith estimated cost of a Distribution System impact study and the good faith estimated cost of a transmission system impact study

11.0 Any study fees shall be based on the actual costs of the study and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, LIPA shall refund such excess within thirty (30) calendar days of the invoice without interest. LIPA shall not be obligated to perform or continue to perform any Interconnection Study

## APPENDIX Q1

work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

### 13.0 Miscellaneous.

- 13.1 Accuracy of Information. Except as Interconnection Customer may otherwise specify in writing when it provides information to LIPA under this Agreement, Interconnection Customer represents and warrants that the information it provides to LIPA shall be accurate and complete as of the date the information is provided. Interconnection Customer shall promptly provide LIPA with any additional information needed to update information previously provided.
- 13.2 Disclaimer of Warranty. In preparing the system impact study, LIPA and any subcontractor or consultants to LIPA shall have to rely on information provided by Interconnection Customer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither LIPA nor any subcontractor or consultant to LIPA makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties of merchantability and fitness for a particular purpose, with regard to the accuracy, content or system impact conclusions of the system impact study. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representation or warranties have formed the basis of its bargain hereunder.
- 13.3 Force Majeure. For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement.
- 13.4 Limitations of Liability. In no event shall any Party or its subcontractor consultant be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the system impact study or any reliance on the system impact study by Developer or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall LIPA be liable for any delay in delivery or for the non-performance or delay in performance of LIPA's obligations under this Agreement.
- 13.5 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless LIPA, and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out



## APPENDIX Q1

of or resulting from the performance by LIPA under this Agreement, any bankruptcy filings made by Interconnection Customer, or the actions or omissions of Interconnection Customer in connection with this Agreement, except to the extent such Losses arise from the gross negligence or willful misconduct by LIPA or their respective directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify LIPA shall be several, and not joint or joint and several.

13.6 Third-Party Beneficiaries. Without limitation of Sections 13.2, 13.3 and 13.5 of this Agreement, Interconnection Customer further agrees that subcontractor consultant hired by LIPA to conduct or review, or to assist in the conducting or reviewing, an Interconnection System Impact Study shall be deemed third party beneficiaries with respect to Sections 13.2, 13.3, 13.4 and 13.5.

13.7 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 13.7, shall continue in effect for a term of one year or until the system impact study for Interconnection Customer's Small Generator is completed, whichever event occurs first. Interconnection Customer or LIPA may terminate this Agreement upon the withdrawal of Interconnection Customer's application pursuant to Section II.A.4 of LIPA's Small Generator Interconnection Procedures.

13.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.

13.9 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null or void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.

13.10 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.

13.11 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.

13.12 Survival. All warranties, limitations of liability, indemnification and confidentiality provisions provided herein shall survive the expiration or termination hereof.

13.13 Independent Contractor. LIPA shall at all times be deemed to be an independent contractor and none of their employees or the employees of its subcontractors shall be considered to be employees of Interconnection Customer as a result of this Agreement.

13.14 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.

13.15 Successors and Assigns. This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective

**APPENDIX Q1**

successors and assigns. No assignment shall be permitted where the assignee is currently in litigation with one of the Parties to this Agreement, except with the consent of the affected Party.

13.16 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

14.0 All disputes shall be resolved in accordance with the procedures set forth in Section II.A.9 of the PSEG Long Island Small Generator Interconnection Procedures for Distributed Generation Less than 10 MW Connected in Parallel with LIPA Distribution Systems.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

Long Island Electric Utility Service LLC  
acting as agent of and on behalf of  
Long Island Lighting Company d/b/a LIPA

[Insert name of Interconnection Customer]

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Print)

Name: \_\_\_\_\_  
(Print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX Q2**

**Appendix Q2 – Assumptions Used In Conducting The System Impact Study**

**Attachment A to  
System Impact Study Agreement**

**Assumptions Used in Conducting the System Impact Study**

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

1) Designation of Point of Interconnection and configuration to be studied.

2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and LIPA.

**Consideration**

**Postponed**

**APPENDIX R1**

**Appendix R1 – Facilities Study Agreement**

**Facilities Study Agreement**

**THIS AGREEMENT** is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ by and between \_\_\_\_\_, a \_\_\_\_\_ organized and existing under the laws of the State of \_\_\_\_\_, ("Interconnection Customer,") and Long Island Lighting Company d/b/a LIPA ("LIPA"). Interconnection Customer and LIPA each may be referred to as a "Party," or collectively as the "Parties."

**Consideration**  
RECITALS

**WHEREAS**, the Interconnection Customer is proposing to develop a Small Generator or generating capacity addition to an existing Small Generator consistent with the Interconnection Request completed by the Interconnection Customer on \_\_\_\_\_; and

**Postponed**

**WHEREAS**, the Interconnection Customer desires to interconnect the Small Generator with LIPA's Distribution System;

**WHEREAS**, LIPA has completed a system impact study and provided the results of said study to the Interconnection Customer; and

**WHEREAS**, the Interconnection Customer has requested LIPA to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generator with LIPA's Distribution System.

**NOW, THEREFORE**, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the Long Island Power Authority Small Generator Interconnection Procedures for Distributer Generation Less than 10 MW Connected in Parallel with LIPA Distribution Systems (PSEG Long Island Small Generator Interconnection Procedures).
- 2.0 The Interconnection Customer elects and LIPA shall cause a facilities study consistent with the PSEG Long Island Small Generator Interconnection Procedures.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of LIPA's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

## APPENDIX R1

5.0 LIPA may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generator if it is willing to pay the costs of those facilities.

6.0 The Interconnection Customer shall provide to LIPA a deposit of \$10,000 or other commercially reasonable security in an amount equal to the good faith estimated facilities study costs.

7.0 In cases where Upgrades are required, the facilities study must be completed within forty-five (45) Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within thirty (30) Business Days. Projects that are subject to the NYISO OATF Attachment S cost allocation process shall be processed in accordance with the NYISO's Attachment S procedures.

8.0 Once the facilities study is completed, a facilities study report shall be prepared and promptly transmitted to the Interconnection Customer.

9.0 Any study fees shall be based on the actual costs of the study and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, LIPA shall refund such excess within thirty (30) calendar days of the invoice without interest. LIPA shall not be obligated to perform or continue to perform any Interconnection Study work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

11.0 Miscellaneous.

11.1 Accuracy of Information. Except as Interconnection Customer may otherwise specify in writing when it provides information to LIPA under this Agreement, Interconnection Customer represents and warrants that the information it provides to LIPA shall be accurate and complete as of the date the information is provided. Interconnection Customer shall promptly provide LIPA with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In preparing the facilities study, LIPA and any subcontractors or consultants employed by LIPA shall have to rely on information provided by Interconnection Customer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither LIPA nor any subcontractor consultant employed by LIPA makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties or merchantability and fitness for a particular purpose, with regard to the accuracy, content or conclusions of the facilities study. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representation or warranties have formed the basis of its bargain hereunder.

## APPENDIX R1

- 11.3 Force Majeure. For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement.
- 11.4 Limitations of Liability. In no event shall any Party or its subcontractor consultant be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the facilities study or any reliance on the facilities study by Developer or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall LIPA be liable for any delay in delivery or for the non-performance or delay in performance of LIPA's obligations under this Agreement.
- 11.5 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless LIPA, and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by LIPA under this Agreement, any bankruptcy filings made by Interconnection Customer, or the actions or omissions of Interconnection Customer in connection with this Agreement, except to the extent such Losses arise from the gross negligence or willful misconduct by LIPA or their respective directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify LIPA shall be several, and not joint or joint and several.
- 11.6 Third-Party Beneficiaries. Without limitation of Sections 11.2, 11.3 and 11.5 of this Agreement, Interconnection Customer further agrees that subcontractor or consultant to LIPA to conduct or review, or to assist in the conducting or reviewing, a facilities study shall be deemed third party beneficiaries with respect to Sections 11.2, 11.3, 11.4 and 11.5.
- 11.7 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 11.7, shall continue in effect for a term of one year or until the facilities study for Interconnection Customer's Small Generating Facility is completed, whichever event occurs first. Interconnection Customer or LIPA may terminate this Agreement upon the withdrawal of the Interconnection Customer's application pursuant to Section II.A.4 of PSEG Long Island's Small Generator Interconnection Procedures.
- 11.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.

## APPENDIX R1

- 11.9 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null or void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 11.10 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 11.11 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.
- 11.12 Survival. All warranties, limitations of liability, indemnification and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 11.13 Independent Contractor. LIPA shall at all times be deemed to be an independent contractor and none of their employees or the employees of its subcontractors shall be considered to be employees of Interconnection Customer as a result of this Agreement.
- 11.14 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 11.15 Successors and Assigns. This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. No assignment shall be permitted where the assignee is currently in litigation with one of the Parties to this Agreement, except with the consent of the affected Party.
- 11.16 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.
- 12.0 All disputes shall be resolved in accordance with the procedures set forth in Section II.A.9 of the PSEG Long Island Small Generator Interconnection Procedures.

**APPENDIX R1**

**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**Long Island Electric Utility Service LLC  
acting as agent of and on behalf of  
Long Island Lighting Company d/b/a LIPA**

**[Insert name of Interconnection Customer]**

By: \_\_\_\_\_  
(Signature)

By: \_\_\_\_\_  
(Signature)

Name: \_\_\_\_\_  
(Print)

Name: \_\_\_\_\_  
(Print)

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**Consideration  
Postponed**



**APPENDIX R2**

**Appendix R2 – Facilities Study Agreement Input Data Requirements**

**Attachment A to the  
Facilities Study Agreement**

**Data to Be Provided by the Interconnection Customer**

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing LIPA station. Number of generation connections: \_\_\_\_\_

Will an alternate source of auxiliary power be available during CT/PT maintenance?

Yes \_\_\_\_\_ No \_\_\_\_\_

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes \_\_\_\_\_ No \_\_\_\_\_

(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generator?

---

---

What protocol does the control system or PLC use?

---

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

---

Bus length from generation to interconnection station:

---

Line length from interconnection station to LIPA's System.

---

**APPENDIX R2**

Tower number observed in the field. (Painted on tower leg)\*:

\_\_\_\_\_

Number of third party easements required for transmission lines\*:

\_\_\_\_\_

\* To be completed in coordination with LIPA.

Is the Small Generator located outside of LIPA's service area?

Yes \_\_\_\_\_ No \_\_\_\_\_ If Yes, please provide name of local provider:

**Consideration**

Please provide the following proposed schedule dates:

Begin Construction Date: \_\_\_\_\_

Generator step-up transformers receive back feed power Date: \_\_\_\_\_

Generation Testing Date: \_\_\_\_\_

Commercial Operation Date: \_\_\_\_\_

**Postponed**

### XIII. Dynamic Load Management

#### B. Commercial System Relief Program (continued):

##### 4. Applications for Participation

- a) Applications for participation under this program must be made electronically. Direct Participants and Aggregators may participate after the Authority's receipt and approval of a completed application. The Authority will accept an application by April 1 for a May 1 commencement date, or by May 1 for a June 1 commencement date. However, if the application is received by April 1 and the Authority does not bill the participant monthly using interval metering at the time of application, participation may commence on July 1 provided all conditions in section XIII.B.6. are satisfied.
- b) The desired commencement month must be specified in the application. Applications will not be accepted after the specified date for participation during the current Capability Period. If the first of the month falls on a weekend or PSEG Long Island Holiday, applications will be accepted until the first business day thereafter.
- c) The Authority will accept applications for participation in the Voluntary Participation Option under the Program at any time provided the metering and communications requirements are satisfied as specified in Section XIII.B.6.
- d) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology will receive the "5 of 10 Day Weather Adjusted CBL" as the default CBL Verification Methodology unless the application specifies that the "10 Day Weather -Adjusted CBL" or the "5 of 10 Average-Day CBL" is to be used for verification of performance. A single CBL Verification Methodology will be used for each customer to assess both energy (kWh) and demand (kW) Load Relief.
- e) ~~Qualifying Paired Battery Storage Equipment and~~ Eligible Net Metering Technology will receive the "10 Day Weather-Adjusted CBL" for verification of performance.
- f) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology may apply in writing prior to the start of the Capability Period to change the CBL Verification Methodology.
- g) Participants with Qualifying Paired Battery Storage Equipment or Qualifying Stand-alone Battery Storage Equipment projects may choose to receive the performance measure based on the battery output directly measured through a third party vendor or the CBL Verification Methodology using the "10 Day Weather-Adjusted CBL".
- g)h) A Direct Participant or Aggregator may apply in writing, prior to the start of the Capability Period, to change the kW of pledged Load Relief, or to terminate service under this Program for the upcoming Capability Period provided the request is received prior to commencing participation for that Capability Period. In order for a Direct Participant or Aggregator to increase its kW of contracted Load Relief in an Authority Designated Area, the Direct Participant's or Aggregator's most recent Performance Factor in that Authority Designated Area must be no less than 1.00.
- h)i) Each application must state the kW of Load Relief that the Direct Participant or Aggregator contracts to provide for the Load Relief Period. Load Relief of an Aggregator will be measured on a portfolio basis separately for each Authority Designated Area.

##### 5. Notification by the Authority and Required Response

- a) The Authority will notify Direct Participants and Aggregators by phone, e-mail, or machine-readable electronic signal, or a combination thereof, in advance of the commencement of a Load Relief Period or Test Event. The Direct Participant or Aggregator will designate in writing an authorized representative and an alternate representative, and include an electronic address if applicable, to receive the notice. If an Aggregator is served under this Program, only the Aggregator will be notified of the Load Relief Period or Test Event. The Aggregator is responsible for notifying all of the customers within its respective aggregation group.

### **XIII. Dynamic Load Management**

#### **B. Commercial System Relief Program (continued)**

##### **Notification by the Authority and Required Response (continued):**

- b) The Authority will provide advance notice that a Planned Event or a Test Event may be called at least 21 hours in advance of the event. The Authority will provide confirmation of a Planned Event or a Test Event on the day of the event, at least two hours in advance of the event.
- c) If the Authority designates an Unplanned Event, notice will be given as soon as practicable. Participants are requested to provide Load Relief as soon as they are able.

### XIII. Dynamic Load Management

#### B. Commercial System Relief Program (continued):

##### Notification by the Authority and Required Response (continued):

- d) Participants are required to participate during all Contracted Hours for all Planned Events called by the Authority during the Capability Period, and all Test Events called by the Authority. The Test Event period will not exceed one hour.

#### 6. Metering

- a) Participation under this program requires that each participant's entire service be measured by interval metering with communications capability which will also be used by the Authority for monthly billing. All participants designated by an Aggregator must meet the metering and telecommunications requirements specified herein.
- b) If, at the time of application for service under this Program, the Authority does not bill the participant monthly using interval metering, the Customer will arrange with the Authority for the furnishing and installation of interval metering with communications capability to be used for billing, at the participant's expense.
- c) For participation under this program, the metering equipment and communications service must be installed and made operational prior to the Authority's acceptance of a completed application. Participation under this program will commence the first day of the first month within the Capability Period that occurs at least 30 days after both the interval metering and communications service become operational.
- d) The Authority will install interval metering with communications capability within 21 business days. If the Authority misses the installation time frame for a participant, it will make a "Lost Reservation Payment" to the Direct Participant or Aggregator, unless the meter delay was caused by a condition such as a major outage or storm.
- e) A Lost Reservation Payment will be calculated by determining the number of months between the earliest month in which the customer could have begun participation had the meter been installed within the required timeframe (assuming the Authority's acceptance of a completed application and receipt of payment for the meter upgrade) and the first month following the completed installation, and multiplying that number by the pledged kW and associated per-kW Reservation Payment Rate.
- f) Participants with Qualifying Paired Battery Storage Equipment or Qualifying Stand-alone Battery Storage Equipment projects who choose to receive the performance measure based on the battery output directly measured through a third party vendor must install interval metering:
  - (i) measures the output of the battery storage equipment
  - (ii) with communications capability to a qualified third-party vendor
  - (iii) within 21 business days.

### XIII. Dynamic Load Management

#### B. Commercial System Relief Program (continued):

##### 7. Operation of Electric Generating Equipment

- a) Participation by diesel-fired Electric Generating Equipment will be permitted only if the engine for the equipment is model year 2000 or newer. Participation by diesel-fired Electric Generating Equipment will be limited to 20 percent of the total kW enrolled under this Program for the Capability Period. Enrollment by such generators will be accepted on a first come, first served basis. No limit or cap will be placed on the following: natural gas-fired rich burn Electric Generating Equipment that incorporates three-way catalyst emission controls; natural gas lean-burn Electric Generating Equipment with an engine of model year of 2000 or newer; or Electric Generating Equipment that has a NOx emission level of no more than 2.96 lb/MWh.
  
- b) If a Direct Participant or Aggregator requests to operate Electric Generating Equipment for Load Relief purposes under this program and the Authority has approved the interconnection of such equipment, the application must state generator information, including the unit's serial number, nameplate rating, manufacturer, date of manufacture, fuel type or energy source, the kW enrolled using this equipment, and identification as to whether the unit incorporates three-way catalyst emission controls (natural gas-fired rich burn), a natural gas lean-burn engine of model year 2000 or newer, or a diesel-fired engine of model year 2000 or newer, or whether it has a NOx emission level of no more than 2.96 lb/MWh. If the generating equipment has a NOx emission level of no more than 2.96 lb/MWh, but is not natural gas-fired rich burn generating equipment that incorporates three-way catalyst emission controls, a natural gas lean-burn engine of model year 2000 or newer, or a diesel-fired engine of model year 2000 or newer, written certification by a professional engineer must be contained in the application, including the NOx emission level. Copies of all New York State Department of Environmental Conservation ("DEC") permits must be included with the application. By applying for service under this Program, Direct Participants and Aggregators (on behalf of their customers) agree to permit the Authority to provide information regarding the Electric Generating Equipment to the DEC for its review, subject to the DEC's agreement to keep this information confidential. Furthermore, participants enrolled in a NYISO market-based program offered by the Authority, NYPA or other entity, such as the Day-ahead Demand Response Program or the Demand-Side Ancillary Service Program, must provide the Authority with their NYISO generator identification number, under a confidentiality agreement, and give the Authority the ability to view their market participation activity. This information will be used to verify the times of participation in these other programs to prevent double-payment during concurrent events.

**XIII. Dynamic Load Management****B. Commercial System Relief Program (continued):**8. Data Review

- a) The Authority reserves the right to review records and/or operations of any Direct Participant, Aggregator, and customer of an Aggregator, to verify enrollment information and performance associated with any designated Load Relief Period or Test Event called by the Authority.
  - (1) Once the Authority initiates a data review, all payments will be suspended pending the outcome of the review.
  - (2) The Authority will complete its review within 30 days of receipt of all requested data, but no later than December 31 of the calendar year of the Capability Period under review.
  - (3) Any suspended payments will be reinstated if the Authority's review of the data results in a finding that the enrollment and performance information are correct.
- b) If the Authority determines that a Direct Participant, Aggregator, or customer of an Aggregator failed to cooperate fully and promptly with the review and/or did not fully comply with the provisions of this Program and/or provided inaccurate data, the Direct Participant Aggregator or the customer of the Aggregator will be deemed ineligible to participate in the Program until the issue is rectified. In addition, the Direct Participant or Aggregator will be required to make prompt repayment to the Authority of any overpayments that were made to such Direct Participant or Aggregator, on behalf of its customer, for the Capability Period that was reviewed as well as the current Capability Period, if different.

**XIII. Dynamic Load Management****B. Commercial System Relief Program (continued):**9. Reservation Payment

- a) Direct Participants and Aggregators will receive a Reservation Payment for each month during the Capability Period in which they are enrolled for a maximum of five payments per calendar year. Reservation Payments will be calculated on a monthly basis. Payments will be made by bill credit, check, or wire transfer.
- b) The Reservation Payment rate per kW is based on the number of cumulative Planned Events for which the Direct Participant or Aggregator was asked to provide Load Relief during the Capability Period, as follows:
  - (1) The Reservation Payment rate may vary by location and by the number of times the Direct Participant or Aggregator is asked to provide Load Relief, and may be eligible for a lock-in option as described below.
  - (2) The Authority reserves the right to identify additional locations and establish corresponding rates or lock-in options for Reservation Payments from time-to-time based on reports and recommendations from the Authority's staff which will be provided at least annually.
  - (3) The identification of applicable locations and corresponding rates for Reservation Payments and lock-in options will be provided on a Statement of Commercial System Relief Program Payments to be updated as needed by the Authority's staff in consultation with the Department of Public Service
  - (4) For Qualifying Paired Battery Storage Equipment and Qualifying Stand-alone Battery Storage Equipment projects enrolled as a Direct Participant or through an Aggregator, the Authority reserves the right to lock in a Reservation Payment price as of the date of project enrollment in the program for a period of ten years.
- c) The Reservation Payment per month is equal to the applicable Reservation Payment rate per kW per month multiplied by the kW of contracted Load Relief multiplied by the Performance Factor. For an Aggregator, the Reservation Payment will be based on a Load Relief weighted Reservation Payment rate which will be equivalent to the sum of the Reservation Payments owed to the Aggregator's enrolled participants.
- d) Voluntary Option: Direct Participants or Aggregators that wish to participate on a Voluntary Basis may establish 0 kW of contracted Load Relief.
- e) Performance Factor
  - (1) The Performance Factor for each New Participant is initially set at 0.50 in the current Capability Period and will remain at that level until the first month in which a Load Relief Period or Test Event is called. For New Participants the first Performance Factor that is measured will be applied retroactively, starting with the enrollment month, to true-up the Reservation Payments for the prior month(s). For returning Direct Participants and Aggregators the Performance Factor will be set to the last value established during the previous Capability Period.



### XIII. Dynamic Load Management

#### B. Commercial System Relief Program (continued): Reservation Payment (continued):

(2) In each subsequent month, the achieved average kW load reduction during a Planned Event (not to exceed the first 4 hours) and Test Event is divided by the contract kW to calculate a new ratio. When more than one Planned Event and/or Test Event is called during the month, the average of the Performance Factors of all events for a Direct Participant or Aggregator in each Authority Designated Area is the Performance Factor for that month. If no Planned or Test events are called in the month, then the Performance Factor continues unchanged from the prior month.

(3) Performance Factor calculated at or below 0.25 will be set to zero (e.g. 0.00).

(4) The Performance Factor is rounded to two decimal places (e.g., 0.99).

### XIII. Dynamic Load Management

#### B. Commercial System Relief Program (continued): Reservation Payment (continued):

~~(3)~~(5) Direct Participants and Aggregators can increase their Performance Factor and corresponding Reservation Payment prospectively by requesting a Performance Adjusted kW. The Performance Adjusted kW must be:

- (a) No higher than the average hourly kW of Load Relief that was provided during the most recent single event (i.e., Test Event, Planned Event, or Unplanned Event);
- (b) No lower than the kW of Load Relief on which the last payment was based; and
- (c) It cannot exceed the kW of contracted Load Relief.

~~(4)~~(6) The Performance Factor will be recalculated as the Performance Adjusted kW divided by the Contract kW and will become effective on the first of the month following the date the request is received. If the request is received late due to the Authority's delay in providing interval meter data, the Performance Adjusted kW will be applied retroactively, effective as of the first of the month after the event on which the Performance Adjusted kW calculation is based occurred.

~~(5)~~(7) The new Performance Factor will remain in effect until the earlier of:

- (a) The month in which a new Performance Adjusted kW is requested and approved pursuant to (4) above; or
- (b) A new lower Performance Factor is calculated based on the results of monthly performance; or
- (c) The term of service under this Program ends.

~~(6)~~(8) Once a Performance Adjustment is in effect, a Direct Participant or Aggregator may request subsequent increases to the Performance Adjusted kW if the updated kW level meets the requirements for Performance Adjusted kW. No more than one request will be accepted per month to increase the Performance Adjusted kW. The Performance Adjustment will become effective commencing the first day of the first calendar month that follows the Authority's receipt of the request to initiate or update the Performance Adjusted kW.

~~(7)~~(9) Requests for Performance Adjusted kW cannot be used to lower the Performance Factor under this Program.

### XIII. Dynamic Load Management

#### B. Commercial System Relief Program (continued): Reservation Payment (continued):

##### f) Adjustments to the Contract kW during the Capability Period

- 1) An Aggregator may increase its kW of pledged Load Relief during a Capability Period only if it enrolls Customers whose Aggregator either exits the program or is suspended from enrollment in the program for noncompliance with Aggregator eligibility requirements or the Company's operating procedures. In such case, the Aggregator may increase its kW of pledged Load Relief up to the amount of the transferred Customers' existing kW of pledged Load Relief.

##### 10. Performance Payments for Load Relief

- a) Except as specified in section XIII.B.10.d below, the Authority will make a payment to a Direct Participant or Aggregator who provides Load Relief during a Planned Event, Test Event, or Unplanned Event.
- b) The Performance payment rate may vary by location, type of event, duration of the event, number of times the Direct Participant or Aggregator is asked to provide Load Relief, and whether the Customer is participating on a voluntary basis.
  - (1) The Performance Payment rate is specified on the Statement of Commercial System Relief Program Payments.
  - (2) The Authority reserves the right to identify additional locations, equipment and establish corresponding rates for Performance Payments from time to time based on reports and recommendations from the Authority's staff which will be provided at least annually.
  - (3) The identification of applicable locations, equipment and corresponding rates for Reservation Payments will be provided on a Statement of Commercial System Relief Program Payments to be updated as needed by the Authority's staff in consultation with the Department of Public Service.
- c) The Performance Payment amount paid per event is equal to the Performance Payment rate per kWh multiplied by the average hourly kWh of Load Relief provided during the event multiplied by the number of event hours.
- d) Performance Payments will not be made under this Program if the Direct Participant or Aggregator (on behalf of its customer) receives payment for energy during concurrent Load Relief hours under any other demand response program (e.g., NYISO's Day-ahead Demand Reduction Program or NYISO's Special Case Resources Program) in which the Customer is enrolled. Direct Participants or Aggregators who also participate in the Distribution System Relief Program during concurrent Load Relief hours will only receive Performance Payments under this program.
- e) If an S.C. No. 11 Customer participates in the NYISO market and receives payment for energy during concurrent Load Relief hours, Performance Payments will be made under this Program only for Load Relief in excess of the Customer's CBL, expressed in kWh.

### **XIII. Dynamic Load Management**

#### **B. Commercial System Relief Program (continued):**

##### 11. Testing

- a) The Authority may require a Direct Participant or Aggregator to participate in one or more Test Events, each for a period not to exceed one hour, commencing at a time determined solely at Authority's discretion, but within the Contracted Hours.
- b) The Authority will make a payment for one hour of energy for the Load Relief achieved up to the contracted amount, as specified above.

### XIII. Dynamic Load Management

#### C. 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, 194, 195, 580; 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. 1-VTOU (Rate Codes 190, 191, 192, 193)

Service Classification No. 2 (Rate Code 280)

Service Classification No. 2-VMRP (Rate Codes 288, 292)

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

Service Classification No. 2-L-VMRP (Rate Codes 282, 294)

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

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

Customers who take service pursuant to 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.

### XIII. Dynamic Load Management

#### C. Distribution Load Relief Program (continued): Definitions (continued):

CBL: A Customer Baseline Load Verification Methodology is calculated using one of the following three methods: (1) "5 of 10 Day Weather Adjusted CBL" (2) "5 of 10 Day Average-Day CBL" or (3) "10 Day Weather Adjusted CBL". The Customer Baseline Load methodologies are further described in the Authority's DLM operating procedures, which is available on the Manager's website.

CBL Verification Methodology: The methodology used by the Authority to verify the actual Load Relief provided (kW and kWh) during each hour of each designated Load Relief Period and Test Event. Actual load levels are compared to the customer baseline loads to verify whether the Direct Participant or Aggregator provided the kW of contracted Load Relief; provided, however, that the Authority may estimate the data pursuant to the Authority's operating procedure if data is not available for all intervals. When a weather-adjusted CBL methodology is used and the calculated weather adjustment falls outside of the Authority defined ranges (i.e., the Authority deems the weather to be atypical on the day of a Load Relief Period or Test Event when compared to the baseline period), the Authority may review and revise a participant's baseline based on the Customer's historical load data. When a weather-adjusted CBL methodology is used, the Authority, at its own discretion, may select alternate hours for the adjustment period to calculate the weather adjustment in order to accurately reflect the customer's typical usage.

Contingency Event: a Load Relief Period lasting four or more hours for which the Authority provides two or more hours of advance notice.

Direct Participant: A Customer who enrolls under this Program directly with the Authority for a single account and agrees to provide at least 50 kW of Load Relief.

Electric Generating Equipment: (a) electric generating equipment that is served under Service Classification Nos. 11 or 12 and used to provide Load Relief under this Program; or (b) emergency electric generating equipment that is interconnected and operated in compliance with Authority rules governing Emergency Generating Facilities used for self supply and used to provide Load Relief under this Program.

Immediate Event: a Load Relief Period lasting six or more hours for which the Authority provides less than two hours of advance notice.

Load Relief: Power (kW) and energy (kWh): (a) ordinarily supplied by the Authority that is displaced by use of Electric Generating Equipment and/or reduced by the Direct Participant or Aggregator at the Customer's premises; or (b) that is produced by use of Electric Generating Equipment by a customer taking service pursuant to Service Classification No. 11 and delivered by that Customer to the Authority's distribution system during a Load Relief Period.

Load Relief Period: The hours for which the Authority requests Load Relief when it designates a Contingency Event or an Immediate Event. Load Relief will not be required between the hours of 12:00 AM and 6:00 AM.

### XIII. Dynamic Load Management

#### C. Distribution Load Relief Program (continued): Definitions (continued)

New Participant: An Aggregator or Direct Participant that has not previously participated in a call for Load Relief under the Distribution Load Relief Program.

Performance Factor: When a Contingency Event, Immediate Event or Test Event is called, is the ratio of: (i) the average hourly kW of Load Relief provided by the Direct Participant or Aggregator during the requested hours, up to the kW of contracted Load Relief to (ii) the kW of contracted Load Relief. The Performance Factor is subject to certain adjustments and limitations as described in Section XIII.C.10.d below.

Qualifying Paired Battery Storage Equipment: New battery storage projects paired with eligible generation technology and installed on the Authority's system after March 1<sup>st</sup> 2019 that have applied for and received a commitment from the Authority to lock in the current Reservation Payment price for a period of ten years.

Qualifying Stand-alone Battery Storage Equipment: New Stand-alone battery storage projects installed on the Authority's system after March 1<sup>st</sup> 2019 that have applied for and received a commitment from the Authority to lock in the current Reservation Payment price for a period of ten years. Qualifying Stand-alone Battery Storage Equipment is not a net metering eligible technology.

Test Event: The Authority's request for Direct Participants and Aggregators to provide one hour of Load Relief on not less than 2 hours of advance notice.

#### 3. Contracting for Distribution Load Relief Program Service

This Program is applicable to Direct Participants and Aggregators who agree in writing to provide Load Relief for no less than four consecutive hours in an Authority Designated Area whenever the Authority designates a Load Relief Period during the Capability Period. If Direct Participants and Aggregators provide Load Relief for no less than four consecutive hours in an Authority Designated Area for seven or more Load Relief Periods during a single Capability Period, the remaining Reservation Payments for that Capability Period will be increased per the amount listed on the Statement of Distribution Load Relief Program Payments. Authority Designated Areas will be posted on the Manager's website.

A Direct Participant in the Reservation Payment Option must contract to provide at least 50 kW of Load Relief. An Aggregator in the Reservation Payment Option must contract to provide at least 50 kW of Load Relief. Direct Participants or Aggregators that wish to participate on a voluntary basis may request a value of 0 kW of contracted Load Relief.

If all other requirements for service under this Program are met, Electric Generating Equipment may be used to participate under this Program subject to the provisions set forth in section XIII.C.8 below. The participating Direct Participant or Aggregator is responsible for ensuring that the operation of generating equipment under this Program will be in conformance with any governmental limitations on operation.

Participation under this Program is permitted to participants in other programs that provide payment for capacity, such as the NYISO's Special Case Resources ("SCR") Program (or any successor Authority program to the NYISO's SCR Program).

### **XIII. Dynamic Load Management**

#### **C. Distribution Load Relief Program (continued):**

##### **Contracting for Distribution Load Relief Program Service (continued):**

Direct Participants and all customers of an Aggregator must meet the metering requirements specified in Section XIII.C.7.

An Aggregator is responsible for the compliance of all customers it enrolls and will be liable for performance, including, as applicable, repayments to the Authority.

The Authority reserves the right to establish operating procedures and various forms for the implementation of this program. Direct Participants and Aggregators must abide by such operating procedures and utilize such forms to be eligible for participation.



**XIII. Dynamic Load Management****C. Distribution Load Relief Program (continued):**4. Applications for Participation

- a) Applications for participation under this program must be made electronically. Direct Participants and Aggregators may participate after the Authority's receipt and approval of a completed application. The Authority will accept an application by April 1 for a May 1 commencement date or by May 1 for a June 1 commencement date. However, if the application is received by April 1 and the Authority does not bill the participant monthly using interval metering at the time of application, participation may commence on July 1 provided all conditions in section XIII.C.7. are satisfied. Applicants with existing requisite metering and communication capabilities as specified in Section XIII.B.6. who wish to participate in the program on a voluntary basis may apply at any time.
- b) The desired commencement month must be specified in the application. Applications will not be accepted after the specified date for participation during the current Capability Period. If the first of the month falls on a weekend or PSEG Long Island Holiday, applications will be accepted until the first business day thereafter.
- c) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology, the "5 of 10 Day Weather Adjusted CBL" will be the default CBL Verification Methodology, unless the application specifies that the "10 Day Weather-Adjusted CBL" or "5 of 10 Day Average-Day CBL" is to be used for verification of performance. A single CBL Verification Methodology will be used for each customer to assess both energy (kWh) and demand (kW) Load Relief.
- d) ~~Qualifying Paired Battery Storage Equipment and~~ Eligible Net Metering Technology will receive the "10 Day Weather-Adjusted CBL" for verification of performance.
- e) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology may apply in writing prior to the start of the Capability Period to change the CBL Verification Methodology.
- f) Participants with Qualifying Paired Battery Storage Equipment or Qualifying Stand-alone Battery Storage Equipment projects may choose to receive the performance measure based on the battery output directly measured through a third party vendor or the CBL Verification Methodology using the "10 Day Weather-Adjusted CBL."
- ~~f)g)~~ A Direct Participant or Aggregator may apply in writing prior to the start of the Capability Period, to change the kW of pledged Load Relief, or to terminate service under this Program for the upcoming Capability Period provided the request is received prior to commencing participation for that Capability Period. In order for a Direct Participant or Aggregator to increase its kW of contracted Load Relief in an Authority Designated Area, the Direct Participant's or Aggregator's most recent Performance Factor in that Authority Designated Area must be no less than 1.00.
- ~~g)h)~~ Each application must state the kW of Load Relief that the Direct Participant or Aggregator contracts to provide for the Load Relief Period. Load Relief of an Aggregator will be measured on a portfolio basis separately for each Authority Designated Area.

**Load Relief Period Criteria**

- a) ~~Criteria for Designating a Load Relief Period: If the Authority declares a need for emergency or non-emergency relief, within the limitations described by 40 CFR 63.6640 subparts (f) (2) and (f) (4,) or if a voltage reduction of five percent or greater has been ordered, the Authority may designate such period as a Load Relief Period. The Authority~~

~~may designate specific feeders or geographical areas in which Load Relief shall be requested.~~

### XIII. Dynamic Load Management

#### C. Distribution Load Relief Program (continued):

##### 5. Load Relief Period Criteria

Criteria for Designating a Load Relief Period: If the Authority declares a need for emergency or non-emergency relief, within the limitations described by 40 CFR 63.6640 subparts (f) (2) and (f) (4), or if a voltage reduction of five percent or greater has been ordered, the Authority may designate such period as a Load Relief Period. The Authority may designate specific feeders or geographical areas in which Load Relief shall be requested.

##### 6. Notification by the Authority and Required Response

- a) The Authority will notify Direct Participants and Aggregators by phone, e-mail, or machine-readable electronic signal, or a combination thereof, of the commencement of a Load Relief Period or Test Event. The Direct Participant or Aggregator will designate in writing an authorized representative and an alternate representative, and include an electronic address if applicable, to receive the notice. If an Aggregator is served under this Program, only the Aggregator will be notified of the Load Relief Period or Test Event. The Aggregator is responsible for notifying all of the customers within its respective aggregation group.
- b) If the Authority designates a Contingency Event or a Test Event, the Authority will provide advance notice at least 2 hours in advance of the event.
- c) If the Authority designates an Immediate Event, notice will be given as soon as practicable. Participants are requested to provide Load Relief as soon as they are able.
- d) Participants are required to participate during all Contracted Hours for all Contingency Events and Immediate Events called by the Authority during the Capability Period, and all Test Events called by the Authority. The Test Event period will not exceed one hour and will not be called between the hours of 12:00 AM and 6:00 AM.

### XIII. Dynamic Load Management

#### C. Distribution Load Relief Program (continued):

##### 7. Metering

- a) Participation under this program requires that each participant's entire service be measured by interval metering with communications capability which will also be used by the Authority for monthly billing. All participants designated by an Aggregator must meet the metering and telecommunications requirements specified herein.
- b) If, at the time of application for service under this Program, the Authority does not bill the participant monthly using interval metering, the Customer will arrange with the Authority for the furnishing and installation of interval metering with communications capability to be used for billing, at the participant's expense.
- c) For participation under this program, the metering equipment and communications service must be installed and made operational prior to the Authority's acceptance of a completed application. Participation under this program will commence the first day of the first month within the Capability Period that occurs at least 30 days after both the interval metering and communications service become operational.
- d) The Authority will install interval metering with communications capability within 21 business days. If the Authority misses the installation time frame for a participant, it will make a "Lost Reservation Payment" to the Direct Participant or Aggregator, unless the meter delay was caused by a condition such as a major outage or storm.
- e) A Lost Reservation Payment will be calculated by determining the number of months between the earliest month in which the customer could have begun participation had the meter been installed within the required timeframe (assuming the Authority's acceptance of a completed application and receipt of payment for the meter upgrade) and the first month following the completed installation, and multiplying that number by the pledged kW and associated per-kW Reservation Payment Rate.
- f) Participants with Qualifying Paired Battery Storage Equipment or Qualifying Stand-alone Battery Storage Equipment projects who choose to receive the performance measure based on the battery output directly measured through a third party vendor must install interval metering that:
  - (i) measures the output of the battery storage equipment
  - (ii) with communications capability to a qualified third-party vendor
  - (iii) within 21 business days.

### **XIII. Dynamic Load Management**

#### **C. Distribution Load Relief Program (continued):**

##### **8. Operation of Electric Generating Equipment**

- a) Participation by diesel-fired Electric Generating Equipment will be permitted only if the engine for the equipment is model year 2000 or newer. Participation by diesel-fired Electric Generating Equipment will be limited to 20 percent of the total kW enrolled under this Program for the Capability Period. Enrollment by such generators will be accepted on a first come, first served basis. No limit or cap will be placed on the following: natural gas-fired rich burn Electric Generating Equipment that incorporates three-way catalyst emission controls; natural gas lean-burn Electric Generating Equipment with an engine of model year of 2000 or newer; or Electric Generating Equipment that has a NOx emission level of no more than 2.96 lb/MWh.
  
- b) If a Direct Participant or Aggregator requests to operate Electric Generating Equipment for Load Relief purposes under this program and the Authority has approved the interconnection of such equipment, the application must state generator information, including the unit's serial number, nameplate rating, manufacturer, date of manufacture, fuel type or energy source, the kW enrolled using this equipment, and identification as to whether the unit incorporates three-way catalyst emission controls (natural gas-fired rich burn), a natural gas lean-burn engine of model year 2000 or newer, or a diesel-fired engine of model year 2000 or newer, or whether it has a NOx emission level of no more than 2.96 lb/MWh. If the generating equipment has a NOx emission level of no more than 2.96 lb/MWh, but is not natural gas-fired rich burn generating equipment that incorporates three-way catalyst emission controls, a natural gas lean-burn engine of model year 2000 or newer, or a diesel-fired engine of model year 2000 or newer, written certification by a professional engineer must be contained in the application, including the NOx emission level. Copies of all New York State Department of Environmental Conservation ("DEC") permits must be included with the application. By applying for service under this Program, Direct Participants and Aggregators (on behalf of their customers) agree to permit the Authority to provide information regarding the Electric Generating Equipment to the DEC for its review, subject to the DEC's agreement to keep this information confidential. Furthermore, participants enrolled in a NYISO market-based program offered by the Authority, NYPA or other entity, such as the Day-ahead Demand Response Program or the Demand-Side Ancillary Service Program, must provide the Authority with their NYISO generator identification number, under a confidentiality agreement, and give the Authority the ability to view their market participation activity. This information will be used to verify the times of participation in these other programs to prevent double-payment during concurrent events.

**XIII. Dynamic Load Management****C. Distribution Load Relief Program (continued):**9. Data Review

- a) The Authority reserves the right to review records and/or operations of any Direct Participant, Aggregator, and customer of an Aggregator, to verify enrollment information and performance associated with any designated Load Relief Period or Test Event called by the Authority.
  - (1) Once the Authority initiates a data review, all payments will be suspended pending the outcome of the review.
  - (2) The Authority will complete its review within 30 days of receipt of all requested data, but no later than December 31 of the calendar year of the Capability Period under review.
  - (3) Any suspended payments will be reinstated if the Authority's review of the data results in a finding that the enrollment and performance information are correct.
- b) If the Authority determines that a Direct Participant, Aggregator, or customer of an Aggregator failed to cooperate fully and promptly with the review and/or did not fully comply with the provisions of this Program and/or provided inaccurate data, the Direct Participant, Aggregator or the customer of the Aggregator will be deemed ineligible to participate in the Program until the issue is rectified. In addition, the Direct Participant or Aggregator will be required to make prompt repayment to the Authority of any overpayments that were made to such Direct Participant or Aggregator, on behalf of its customer, for the Capability Period that was reviewed as well as the current Capability Period, if different.

### **XIII. Dynamic Load Management**

#### **C. Distribution Load Relief Program (continued):**

##### 10. Reservation Payment

- a) Direct Participants and Aggregators will receive a Reservation Payment for each month during the Capability Period in which they are enrolled, for a maximum of five monthly payments per calendar year. Reservation Payments will be calculated on a monthly basis. Payments will be made by bill credit, check, or wire transfer.
- b) The Reservation Payment rate per kW is based on the number of cumulative Contingency Events and Immediate Events for which the Direct Participant or Aggregator was asked to provide Load Relief during the Capability Period, as follows:
  - (1) The Reservation Payment rate may vary by location and by the number of times the Direct Participant or Aggregator is asked to provide Load Relief, and may be subject to a lock-in option as described below.
  - (2) The Authority reserves the right to identify additional locations and establish corresponding rates or lock-in options for Reservation Payments from time to time based on reports and recommendations from the Authority's staff which will be provided at least annually.
  - (3) The identification of applicable locations and corresponding rates for Reservation Payments and lock-in options will be provided on a Statement of Distribution Load Relief Program Payments to be updated as needed by the Authority's staff in consultation with the Department of Public Service.
  - (4) The Authority reserves the right to lock in Reservation Payment prices as of the date of project enrollment in the program for a multiple year period, for purposes that include but are not limited to enabling location-specific or resource-specific benefits.
- c) The Reservation Payment per month is equal to the applicable Reservation Payment rate per kW per month multiplied by the kW of contracted Load Relief multiplied by the Performance Factor. For an Aggregator, the Reservation Payment will be based on Load Relief weighted Reservation Payment rate, which will be equivalent to the sum of the Reservation Payments owed to the Aggregator's enrolled participants.
- d) Voluntary Option: Direct Participants or Aggregators that wish to participate on a Voluntary Basis may establish 0 kW of contracted Load Relief.
- e) Performance Factor
  - (1) The Performance Factor for each New Participant is initially set at 0.50 in the current Capability Period and will remain at that level until the first month in which a Load Relief Period or Test Event is called. For New Participants the first Performance Factor that is measured will be applied retroactively, starting with the enrollment month, to true-up the Reservation Payments for the prior month(s). For returning Direct Participants and Aggregators the Performance Factor will be set to the last value established during the previous Capability Period.

**XIII. Dynamic Load Management****C. Distribution Load Relief Program (continued):  
Reservation Payment (continued)**

(2) In each subsequent month, the achieved average kW load reduction during a Contingency Event (not to exceed the first 4 hours), an Immediate Event (the highest consecutive 4 hours within the first 6 hours) and Test Event is divided by the contract kW to calculate a new ratio. When more than one Contingency Event, Immediate Event and/or Test Event is called during the month, the average of the Performance Factors of all events for a Direct Participant or Aggregator in each Authority Designated Area is the Performance Factor for that month. If no Contingency, Immediate or Test events are called in the month, then the Performance Factor continues unchanged from the prior month.

(3) Performance Factor calculated at or below 0.25 will be set to zero (e.g. 0.00).

(4) The Performance Factor is rounded to two decimal places.



**XIII. Dynamic Load Management****C. Distribution Load Relief Program (continued):  
Reservation Payment (continued):**f) Adjustments to the Contract kW

- (1) Aggregators will be able to increase the kW of contracted Load Relief during the current Capability Period for customer loads already enrolled in the Commercial System Relief Program through another Aggregator who is no longer allowed to participate in the Program.

11. Performance Payments for Load Relief

- a) Except as specified in section XIII.C.11.d below, the Authority will make a payment to a Direct Participant or Aggregator who provides Load Relief during a Contingency Event, Immediate Event, or Test Event.
- b) The Performance payment rate may vary by location, type of event, duration of the event, the number of times the Direct Participant or Aggregator is asked to provide Load Relief, and whether the Customer is participating on a voluntary basis.
  - (1) The Performance Payment rate is specified on the Statement of Distribution Load Relief Program Payment.
  - (2) The Authority reserves the right to identify additional equipment or locations and establish corresponding rates for Performance Payments from time to time based on reports and recommendations from the Authority's staff which will be provided at least annually.
  - (3) The identification of applicable equipment, or locations and corresponding rates for Reservation Payments will be provided on a Statement of Distribution Load Relief Program Payments to be updated as needed by the Authority's staff in consultation with the Department of Public Service.
- c) The Performance Payment amount paid per event is equal to the Performance Payment rate per kWh multiplied by the average hourly kWh of Load Relief provided during the event multiplied by the number of event hours.
- d) Performance Payments will not be made under this Program if the Direct Participant or Aggregator (on behalf of its customer) receives payment for energy during concurrent Load Relief hours under any other demand response program (e.g., NYISO's Day-ahead Demand Reduction Program or NYISO's Special Case Resources Program). Direct Participants or Aggregators who also participate in the Commercial System Relief Program during concurrent Load Relief hours will not receive Performance Payments under this program.
- e) If an S.C. No. 11 Customer participates in the NYISO market and receives payment for energy during concurrent Load Relief hours, Performance Payments will be made under this Program only for Load Relief in excess of the Customer's CBL, expressed in kWh

### **XIII. Dynamic Load Management**

#### **C. Distribution Load Relief Program (continued):**

##### 12. Testing

- a) The Authority may require a Direct Participant or Aggregator to participate in one or more Test Events, each for a period not to exceed one hour, commencing at a time determined solely at Authority's discretion, but not between the hours of 12:00 AM and 6:00 AM.
- b) The Authority will make a payment for one hour of energy for the Load Relief achieved up to the contracted amount.
- c) For Direct Participants or Aggregators that receive Reservation Payments, results of the Test may affect the Performance Factor and Reservation Payments.

**IX. Long Island Choice Program (continued):****B. Community Choice Aggregation (“CCA”) Program:**

1. A CCA Program allows municipalities (villages, towns, and cities) to aggregate the usage of eligible Mass Market customers within a defined jurisdiction in order to secure an alternative energy supply contract on a community-wide basis.
  - a) Before requesting customer data from the utility for participation in a CCA Program, the municipality or their designee (CCA Administrator or ESCO):
    - (1) Must sign a Data Security Agreement acceptable to the Manager, and
    - (2) Must have ~~an approved implementation and data protection plan and~~ certification of local authorization approved by the Long Island Office of the Department of Public Service.
  - b) Upon fulfilling the requirements in XI.B.1.a), the Manager will provide the following information to the municipality or their designee in accordance with the terms and fee(s) stated herein.
    - (1) Aggregated customer data, by billing cycle, including the number of customers by service class, the electric kWh by month for the past 12 months by service class. This information will be provided to the municipality or CCA Administrator within twenty days of a request.
      - ~~(i) The Manager will notify the requesting party if data for any service class has so few customers, or in which one customer makes up a large portion of the load, such that the aggregated information does not pass the relevant aggregation privacy standard, as referred to in the December 14, 2017 Order.~~
      - ~~(ii) The Manager will work with the requestor to revise the request in order to address the identified reason(s) such as expanding the geographic area included in the request or combining customer classes or other means.~~
      - ~~(iii) The charge for the above aggregated data in (1) is included in the Statement of CCA Customer Data Charges.~~
    - (2) After each municipality has entered into a CCA contract with an ESCO, the Manager shall transfer customer-specific data to the municipality or CCA Administrator within five days of receipt of a request to support the mailing of opt-out notices. The data shall include all customers in the municipality eligible for opt-out treatment based on the CCA and the requirements of the Department of Public Service. The data should include:
      - (i) Customer of record’s name
      - (ii) Proxy ID
      - ~~(ii)(iii)~~ (iii) Mailing Address
      - ~~(iii)(iv)~~ (iv) Primary Language (if available from the Company’s billing system)
      - (v) Any additional mail customer-specific alternate billing name and address that is not (if available from the same as Company’s billing system) the service address.
      - (vi) Billing cycle and bill period code indicating the month of the customer’s interim estimate, if applicable
      - (vii) Tax exempt status
    - (3) After the opt-out process has been completed, the Manager shall transfer account numbers for eligible customers that did not opt-out to the ESCO providing service

within five days of receipt of a list of customers that opted out. These account numbers may be transmitted via electronic mail in secured, encrypted spreadsheets, through access to a secure website, or through other secure methods of transfer.

~~The charge for the above data described in (2) and (3) is included in the Statement of CCA Customer Data Charges.~~

**IX. Long Island Choice Program (continued):****B. Community Choice Aggregation ("CCA") Program (continued):**

- (4) Upon request by the municipality or CCA Administrator, the Manager will transfer updated customer data as specified in (b)(2) for CCA eligible customers that became customers of the Manager since the last eligible customer list was provided and were not on a previous eligible for opt-out list. The data will be provided to the requestor within five days of the request. After the opt-out process is complete for those customers, the Manager will provide account numbers for customers that did not opt-out as described in (b) (3). The updated eligible customer lists will be provided without charge.

**2. Rules and Governance**

- a) All CCAs will be created and governed in accordance with the Laws of New York State and the guidance of the Department of Public Service.
- b) LIPA, municipalities participating in the CCA, and CCA administrators will follow the Community Choice Aggregation ~~Guidance Document provided~~Program Rules issued by the Department of Public Service ~~dated August 2019, and with the exception that all disputes regarding CCA will be referred to the Department of Public Service for resolution with the Service Provider as further amended from time to time specified under Section VI of this Tariff.~~
- c) ESCOs participating in the Community Aggregation Program must follow all applicable rules for ESCOs provided in the Long Island Choice section of this tariff, except such items specified in the Community Choice Aggregation ~~Guidance Document~~Program Rules, such as:
  - (1) Customer enrollment rules
  - (2) Provisions of customer data to the CCA/ESCO
- ~~d) All disputes will be referred to the Department of Public Service for resolution with the Service Provider as specified under Section VI of this Tariff.~~

~~The Statement of CCA Customer Data Charges may be updated by the Authority's Staff from time to time, in consultation with the Long Island Office of the Department of Public Service.~~

**Long Island Power Authority**

**Statement of Community Choice Aggregation (CCA) Fees**

<u>Type of Data:</u> .....	<u>Fee Per Account Provided</u>
<del>Aggregated Customer Information .....</del>	<del>\$0.16</del>
<del>Customer Specific Information .....</del>	<del>\$0.64</del>

**I. General Information (continued):****B. Abbreviations and Definitions (continued):  
Power (Electric) (continued):**

3. Peak Power is the greatest demand which occurred in a specific period of time.

4. Reactive Power is that part of Apparent Power that is not useful, but is required by some types of electricity-consuming devices such as motors.

5. Real Power is the useful part of Apparent Power. It is measured by averaging the instantaneous power over a 15-minute period and expressed in kilowatts (kW).

**Power Supply Charge:** Provisions made in electric rates schedules for the automatic adjustment of rates due to changes in cost of fuel and purchased power.

**Primary Residence:** A service address at which a Customer-generator resides the majority of the time during the year, and which has been given by the Customer-generator and exists in the voter registration catalogues or used by the Customer-generator to determine his/her school district code number as he/she identifies the same on his/her New York State Income Tax Returns

**Power Factor:** The Real Power (kW) divided by the Apparent Power (kVA) at any given point and time in an electrical circuit. It is expressed as a percentage. (See *Power*)

**Private Property Agreement:** An Agreement between the Authority and a property owner regarding the right to pass over, occupy, or use land for the placement and access of Authority facilities. The Agreement is kept on file at the Authority. (See *Right-of-Way*)

**PSEG Long Island Holiday:** New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Veterans Day, Thanksgiving Day, Day After Thanksgiving, Christmas Eve and Christmas Day.

**Prorate:** To divide, distribute, or assess proportionately.

**Public Highway:** Any street, avenue, road, or way that is maintained for and used by the public. It is authorized and controlled by the legislative body of a village, town, city, county, or the State of New York.

**Public Holiday:** As defined in the General Construction Law Section 24, Public Holidays; half-holidays.

**Public Right-of-Way:** The area within a Public Highway which may be used for the placement of and access to Authority facilities.

**Pull Box:** An underground connection between either the Authority's and the Customer's underground facilities, or the Authority's overhead, terminating at the base of a pole, and the Customer's underground facilities.

**Q**

**Qualifying Low Income Customer:** A customer who provides documentation of ~~current~~ enrollment in at least one of the following programs: Low Income Home Energy Assistance Program (HEAP/LIHEAP); Medicaid; Supplemental Nutrition Assistance Program (SNAP); Supplemental Security Income (SSI); Temporary Assistance ~~for Needy~~ Family Assistance (FA); ~~Temporary Assistance~~ Safety Net Assistance (~~SNA~~); ~~Public Assistance~~; United States ~~Veterans Administration~~ — Veteran's Disability Pension or Veteran's Surviving Spouse Pension ~~or Child Health Plus~~. In addition, a customer may also qualify for the low income discount if they can provide documentation of proof of enrollment in the Federal Lifeline Program or any public assistance program that would qualify under the Federal Lifeline Program.

**R**

**Reactive Power:** (See *Power*)

**Real Power:** (See *Power*)

**Residence:** A permanent dwelling place.

**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, Service Classification No.1 VMRP(S), ~~Service Classification No. 1 VTOU~~, and Service Classification No. ~~16 (M188)~~ 1 VTOU, 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) Documentation of qualification must be dated no earlier than 12 (twelve) months prior to the date of application or renewal.

~~(2)~~(3) Eligibility and enrollment must be renewed each ~~year~~ 14 (fourteen) months. 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)~~(4) 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. The Authority may extend the Grace Period in the event a state of emergency affecting the service territory is declared.

~~(4)~~(5) 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.

- (2) The daily discount rate can be found on a separate Statement of Low Income Program Discount.



**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:****A. Power Supply Charge:****1. Costs included in the Power Supply Charge**

- a) The total actual cost of fossil and nuclear fuel purchased on behalf of the Authority to produce electricity, including nuclear fuel disposal costs and the Authority's share of the Nine Mile Point 2 nuclear generating plant decontamination and decommissioning costs paid to the operator, plus
- b) The total actual cost, including property taxes, of all electric power purchased by or on behalf of the Authority from the New York Power Authority (NYPA), National Grid Generation, other utilities, and independent power producers, including qualifying facilities and Customer-generators, net of revenues received from energy sold to other utilities, power marketers, or other brokers who are not agents for retail power supply customers of the Authority, plus
- c) The total actual cost of all transmission wheeling and other charges (including charges on any off-island transmission facilities that deliver power to the Authority's system), plus
- d) The total actual cost of payments by the Authority to Customers who shed load during times of high system demands at the request of the Authority including payments for participation in the Dynamic Load Management programs contained in Section XIII, plus
- e) The actual fuel costs and the value of foregone emissions credits that partially offset revenues credited from energy sold to other utilities, power marketers, or other brokers who are not agents for retail power supply customers of the Authority, plus
- f) The cost incurred under any system power supply management or fuel management services agreements, plus
- g) Charges for Capacity, Energy, Scheduling, System Control and Dispatch Service, and ancillary services paid by LIPA as a participant in any Independent System Operator (ISO) administered markets, plus
- h) Any other net charges (net of revenues) associated with Transmission Congestion Contracts, ancillary services and short term capacity received by the Authority as a participant in any Independent System Operator (ISO) administered markets, plus
- i) Premiums and other costs associated with the Authority's fuel hedging program, including any gains or losses realized, plus
- j) Costs incurred to comply with the requirements of the New York State Renewable Portfolio Standards and costs ~~incurred for the purchase of renewable energy credits (including the cost of any alternative compliance payments) and zero emission credits~~ associated with the Authority's participation in the New York Clean Energy Standards (CES) programs.
- k) Costs incurred for the operation, maintenance, and property taxes of the Authority's share of the Nine Mile Point Unit 2 Generating Facility.

**2. Average Cost of Power Supply Charge**

The average cost of the Power Supply Charge in cents per kWh for the month is calculated by dividing the projected month's costs included in the Power Supply Charge and the projected month's total LI Choice customer bill credits by the projected month's Energy Sales.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):****A. Power Supply Charge (continued):**~~2. Average Cost of Power Supply Charge~~

~~The average cost of the Power Supply Charge in cents per kWh for the month is calculated by dividing the projected month's costs included in the Power Supply Charge and the projected month's total LI Choice customer bill credits by the projected month's Energy Sales.~~

3. Energy Sales

Energy Sales is the amount of electricity required to meet the Authority's Bundled Service and LI Choice Customer needs, measured at the Customer's meter.

4. The Power Supply Charge, expressed in cents per kWh, is calculated as the sum of: (i) the average cost of the Power Supply Charge expressed in cents per kWh, plus (ii) a rate, expressed in cents per kWh calculated to refund or recover any overcollections or undercollections of the Power Supply Charge as of the end of the preceding period. The Power Supply Charge is rounded to the nearest .0001 cents per kWh.

- a) The Power Supply Charge consists of a Market Supply Charge to be paid by Bundled Service Customers not on Long Island Choice and a Local Supply Charge to be paid by Bundled Service and LI Choice Customers.
- b) The Market Supply Charge recovers the cost incurred by the Authority to provide power services to Customers not on Long Island Choice, calculated as the following costs divided by Energy Sales to Bundled Service Customers, rounded to the nearest .0001 cents per kWh:
  - (1) The actual cost to purchase fuel for generation at power stations on Long Island and the actual cost of purchased power, plus
  - (2) The total actual cost of electric power purchased by or on behalf of the Authority from the ISO energy markets, net of revenues received from energy sold to other utilities, power marketers, or other brokers who are not agents for retail power supply customers of the Authority, plus
  - (3) The market value of energy purchased from the Nine Mile Point 2 and Fitzpatrick nuclear facilities, as well as renewable and resource recovery facilities under contract to the Authority, plus
  - (4) The Long Island capacity market value of all Long Island capacity under contract to the Authority, as well as the Rest of State capacity market value associated with Nine Mile Point 2, plus
  - (5) The cost of Long Island and Rest of State capacity that might be needed to fulfill Authority's capacity requirements, beyond what is under contract, plus
  - (6) The variable (O&M) costs and the value of foregone emissions credits (RGGI) that partially offset revenues credited from energy sold to other utilities, power marketers, or other brokers who are not agents for retail power supply customers of the Authority, plus
  - (7) Charges for Capacity, Energy, Scheduling, System Control and Dispatch Service, and ancillary services paid by LIPA as a participant in the New York Independent System Operator (ISO) administered markets, plus
  - (8) Premiums associated with the Authority's fuel hedging program, including any gains or losses realized, plus
  - (9) The value of Renewable Energy Credit (RECs) for Tier 1 eligible resources under contract to the Authority, costs incurred for the purchase of additional Renewable Energy Credits (including the cost of any alternative compliance payments), Zero Emission Credits (ZECs), and other existing and future costs that are allocated to the Authority as a Load Serving Entity (LSE). Any CES costs that are allocated to the

Authority as an Electric Distribution Company, including the Backstop Costs, are excluded from the Market Supply Charge.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**

**A. Power Supply Charge (continued):**

- c) The Local Supply Charge recovers all costs contained in the Power Supply Charge that are not recoverable through the Market Supply Charge, divided by Energy Sales to all applicable Customers, rounded to the nearest .0001 cents per kWh.
- d) The Power Supply TOU Period Adjustment Factors are identified in the Statement of the Power Supply Charge and will be updated from time to time as follows:
  - (1) The Power Supply TOU Period Adjustment Factors use the average hourly load research sample results for the period September 1<sup>st</sup> to August 31<sup>st</sup>, to identify the kWh for both the super-off peak period and the peak period. The following table lists the TOU rate codes and corresponding load research sample used.

<b>TOU Rate Codes</b>	<b>Load Research Sample Rate Codes</b>
190, 191, 192, 193	180
194, 195	180 (until sufficient data is available to measure these Rate Codes directly)
292	280
294	281

- (2) The average hourly load research samples for Rate 180 or Rate 280 will identify the kWh for both the super off-peak period and the peak period for each of the TOU Rate Codes (190, 191, 192, 193 and 292) for an annual period.
- (3) For Rate Codes 190, 191, 192, 193, and 292, the super off-peak Power Supply TOU Period Adjustment Factor is set to 60%.
- (4) For Rate Codes 190, 191, 192, 193, and 292, the kWh in the super off-peak period will be multiplied by the budgeted average annual Power Supply Charge multiplied by 40% (1-super off-peak Power Supply TOU Period Adjustment Factor). The subsequent dollars by TOU Rate Code is divided by the total kWh in the peak period to create the peak period adder by TOU Rate Code. The peak period adder by TOU Rate Code is then added to the average annual power supply factor and divided by the average annual power supply factor, which will equal the peak Power Supply TOU period Adjustment Factor. Formulas:
  - 1)  $(\text{kWh in Super Off-peak Period} \times \text{Annual Average Power Supply Charge} \times 40\%) / \text{Peak Period kWh} = \text{Peak Period Adder}$
  - 2)  $(\text{Peak Period Adder} + \text{Annual Average Power Supply Rate}) / \text{Annual Average Power Supply Rate} = \text{the peak Power Supply TOU period Adjustment Factor.}$
- (5) For Rate Codes 194 and 195, the TOU period Adjustment Factors will be calculated for each year based on the most recently available load data and projected power supply costs for the coming year.
- e) The Power Supply Charge for applicable TOU Rate Codes will be calculated each month based on the actual Power Supply Charge (see Statement of Power Supply Charge) times the Power Supply TOU period Adjustment Factors as identified in the Statement of the Power Supply Charge.
- f) The Authority will prepare and retain on file a Statement of the Power Supply Charge. The Statement will be available at the Authority's business offices.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS (continued):**

**A. Power Supply Charge (continued):**

- g) The Statement will be revised each time the Power Supply Charge is revised and will contain:
  - (1) The identification of the Service Classifications affected, and
  - (2) The date the Power Supply Charge becomes effective, and
  - (3) The month used to obtain the average cost of the Power Supply Charge, and
  - (4) The Market Supply Charge, the Local Supply Charge, and the Power Supply Charge (Market Supply plus Local Supply) in cents per kWh.



**Rory M. Christian**  
Chair and  
Chief Executive Officer

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November 30, 2023

Via Email and U.S. Mail

Honorable Tracey Edwards, Chairwoman  
Board of Trustees  
Long Island Power Authority  
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Re: Matter 23-00071 – Recommendations Regarding Long Island Power Authority's Proposed Modifications to its Tariff for Electric Service

Dear Chairwoman Edwards:

I am pleased to provide the recommendations of the New York State Department of Public Service (DPS or the Department) regarding the proposed changes to the Tariff for Electric Service (Tariff)<sup>1</sup> by Long Island Power Authority's (LIPA or the Authority), effective January 1, 2024. The LIPA Reform Act (LRA) grants the Department the authority to make recommendations concerning the operations and terms and conditions of service provided by the Authority and its Service Provider. The Department recommends the adoption of the Authority's proposals in accordance with the discussion set forth herein.

LIPA proposes several modifications to its Tariff for Electric Service. These changes to the Tariff include proposals to: 1) establish LIPA's annual rate update and modify the rate design of Service Classification No. 2 Large General and Industrial Service with Multiple Rate Periods (2-MRP), to align LIPA's Tariff with New York's other Investor-Owned Utilities (IOUs); 2) modify the Long Island Choice (LI Choice) program and Community Choice Aggregation (CCA) Tariff provisions to ensure consistency with recent policies and regulations set by the Public Service Commission (PSC or the Commission); 3) update the Demand Response (DR) program to accommodate behind-the-meter (BTM) storage customers; 4) expand eligibility requirements for the Low-to-Moderate Income (LMI) program; 5) modify the cost recovery mechanisms associated with New York State's Clean Energy Standard (CES) financial backstop mechanism and

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<sup>1</sup> LIPA's Tariff for Electric Service, <https://www.lipower.org/wp-content/uploads/2023/04/LIPA-Tariff-April-2023.pdf> (accessed November 28, 2023) (LIPA's Tariff).

clarify the cost recovery through the power supply charge; and 6) modify the Small Generator Interconnection Procedure (SGIP).

### **Annual Rate Update and Rate Design 2-MRP**

LIPA proposes modifying the Tariff for Electric Service to implement rate adjustments, effective January 1, 2024, to reflect the annual budget and the increase to annual aggregate delivery revenues across all Service Classifications (SC). LIPA also proposes to modify the daily service charge and rate design for 2-MRP.

LIPA has traditionally adopted a general approach to rate design aiming to increase revenues for all rate classes by an equal percentage. This general approach maintains the existing revenue relationship between rate classes, which has previously been endorsed by DPS. Consequently, LIPA proposes to redirect collection of the revenues through the daily service charge to the applicable demand charge, and to the energy charge when no demand charge exists. This reallocation is intended to help reduce peak demand and/or usage and provide increased rewards to individual customers who effectively manage their usage.<sup>2</sup> Eliminating the fixed daily meter charge and concurrently raising the demand or energy rate, will incentivize customers to use electricity more efficiently and manage their energy usage better.

LIPA's proposed modifications will reduce the daily service charge for SC 2-MRP for transmission and primary voltage customers from \$9.50 to \$4.75 and for secondary voltage customers from \$7.00 to \$3.50. The resulting revenue shortfall will be recouped by increasing demand charges during the peak and intermediate periods in SC 2-MRP. Consequently, the demand charges (or rates) will see an approximate 1.8 percent increase on average for the on-peak and intermediate periods to offset the revenue reduction caused by the daily service charge decrease. LIPA asserts that these changes will align their rates for commercial and industrial customers with the New York IOUs, and will ultimately be revenue neutral to SC 2-MRP as a whole. Staff recommends adoption of LIPA's modifications for 2-MRP as proposed.

Service Class 2-MRP serves LIPA's largest non-residential customers with a demand greater than 145kW for two consecutive months, affecting approximately 4,400 customers. Also, SC 2-MRP is further broken down by the size of the circuit supplying them and the customers' load characteristics. Customers in SC 2-MRP are served by four rate codes: 284, 285, M284 and M285. These rate codes encompass the same set of charges: 1) fixed daily service charge; 2) a demand charge; 3) an energy charge; and 4) a minimum demand charge.<sup>3</sup> Further, each

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<sup>2</sup> Response to DPS-23017, pp. 2-3.

<sup>3</sup> LIPA's Tariff, p. 26; p. 20; p. 16; and p. 303.

rate code within SC 2-MRP features three rate periods corresponding to different times of the day: 1) an off-peak period with the lowest rates; 2) an on-peak period with the highest rates; and 3) an intermediate period with moderate rates.

LIPA's proposal will counterbalance the revenue shortfall that will result from the 50 percent reduction in the daily service charge by increasing the demand charge. This will ensure revenue neutrality in the service class and motivate customers to use electricity more efficiently because their bill will primarily be driven by their usage. The impacts of the proposal on customer's bills will depend on their actual usage. Customers with usage patterns close to or lower than the service class average will experience minimal or no impact on their bill.

In prior IOU rate cases the PSC has adopted the minimum system method of cost classification provided in the January 1992 National Association of Regulatory Utility Commissioners (NARUC) Electric Utility Cost Allocation 19 Manual.<sup>4</sup> The Commission addressed this methodology and stated "... we agree with Staff that Con Edison's decision to recognize a customer component for primary distribution facilities follows the NARUC manual, brings Con Edison into line with other utilities in the State, and recognizes that the costs associated with the primary distribution system vary with the number of customers served by it as well as by the demand such customers place on the system."<sup>5</sup> As stated in DPS' December 2022 "Recommendations Regarding LIPA's Proposed Modifications to its Tariff for Electric Service," this methodology classifies the primary distribution system costs as demand-related and customer-related.<sup>6</sup>

Staff has reviewed LIPA's current rate design for SC 2-MRP and confirmed their assertion the rates as structured currently are over-collecting customer-related costs, while under-collecting the demand-related costs. LIPA's proposed rate changes to SC 2-MRP will address this issue and modify the rates to be reflective of the true cost of service, further align LIPA with the IOUs in the State, and potentially reward customers for reducing their demand.

The impact of the delivery and supply rate on a customer whose usage is close to the average for the service class (~800,000 kWh/yr) will result in an approximate 2.87 percent increase, customers close to the average for the service class (~1,074,137 kWh/yr) will experience an approximate 3.10 percent increase, while customers with

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<sup>4</sup> National Association of Regulatory Utility Commissioners, Electric Utility Cost Allocation Manual (January 1992).

<sup>5</sup> Case 16-E-0060, Proceeding on Motion of the Commission as to the Rates, Changes, Rules and Regulations of Consolidated Edison Company of New York, Inc. for Electric Service, et al., Order Approving Electric and Gas Rate Plans (issued January 25, 2017), pp. 46-47.

<sup>6</sup> Matter 22-00945, Tariff Filing of Long Island Power Authority to Modify its Tariff for Electric Service 2022, Recommendations Regarding Long Island Power Authority's Proposed Modifications to its Tariff for Electric Service, issued December 9, 2022) p. 3.



usage between 1,500,000 kWh/yr and 8,000,000 kWh/yr for the service class, will see an increase ranging from 3.29 percent to 3.69 percent. Additionally, if a customer's usage falls below the average of the service class (~1,074,137 kWh/yr), their delivery rate increase will be less than LIPA's proposed system average delivery rate increase. We estimate that customers with lower usage will experience an approximate 0.8 percent savings in their delivery rate, reducing the impact of LIPA's annual increase.<sup>7</sup> For these reasons, Staff recommends adoption of LIPA's modifications for 2-MRP as proposed.

To balance costs and align LIPA's rates with New York's IOUs, LIPA is also proposing the elimination of separate meter charges from rate codes 188, 288, and 282, as these charges are no longer warranted with the deployment of Advanced Metering Infrastructure (AMI). Rate code 188 serves not-for-profit corporations, including veterans' organizations, religious organizations, or a community residence. Rate code 288 serves customers who opt for non-Residential purposes voluntarily as an alternative to SC-2 when LIPA estimates their demand to be less than 7 kW. The service charges for rate codes 188 and 288 will be maintained at the same level to align with the non-time-of-use service classifications. To maintain revenue neutrality, the revenue previously collected through the daily meter charge will be recovered by increasing the energy rates in rate codes 188 and 288.

Currently, the combined meter and service charge for rate code 282 is lower than the daily service charge for its companion rate codes, 281 (non-time-of-day demand-metered rate for commercial customers) and 294 (modern time-of-day demand-metered rates for commercial customers). To align rate code 282 with these companion rate codes, the meter charge will be eliminated, the daily service charge will be increased from \$2.09 to \$2.67, and the demand charges will be adjusted by a corresponding amount in each rate period to ensure overall revenue neutrality. In addition, Staff reviewed the bill impact to customers on rate code 282 with below average annual consumption and determined the proposed changes would have an average increase of three percent overall on the monthly bill.

Eliminating the fixed daily meter charge and concurrently raising the demand or energy rate, will incentivize customers to use electricity more efficiently and manage their energy usage better. LIPA's proposal aligns with the State's goals of energy conservation and sustainability.<sup>8</sup> Furthermore, shifting a portion of the revenue recovery to variable charges, such as demand or energy charges, ensures that customers' bills are aligned with their actual usage. As the Department previously indicated, LIPA's

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<sup>7</sup> The comparison pertains to the delivery revenue associated with demand and service charges.

<sup>8</sup> Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, et al., Order Initiating Process Regarding Zero Emission Target (issued May 18, 2023), pp. 5-6.

current rate design for SC-2 MRP does not accurately reflect the cost to serve customers in the service class.<sup>9</sup> Thus, LIPA's proposal to eliminate the daily meter charge, reduce the fixed daily service charge and increase the demand or energy rate to offset revenue shortfalls is appropriate. As such, Staff recommends adopting this tariff modification as proposed.

### **LI Choice Program/CCA Tariff change**

LIPA proposes to modify the Tariff and its Long Island Choice Program to align with recent policy changes contained in the Community Choice Aggregation (CCA) Modification Order issued on January 19, 2023, and the Department's current CCA Program Rules.<sup>10</sup> LIPA's proposed changes to its Tariff include discontinuing customer data charges, removing references to unnecessary data security screens, and refining disclosed data types. LIPA's proposed modifications will also incorporate by reference the Department's CCA Program Rules, most recently issued on March 20, 2023.

Community Choice Aggregation programs offer residential and small non-residential customers an opportunity to receive multiple benefits including access to renewable energy, contractual bargaining power through aggregation, guidance from local governments and CCA Administrators, and engagement in critical energy decisions that help advance the State's clean energy goals.

In 2016, the Commission authorized the establishment of CCA programs by municipalities statewide and articulated the necessary program design principles and standards that municipalities must apply in developing and implementing CCA programs for their constituents.<sup>11</sup> Since then, the Commission and DPS have taken several actions to further define the policy and expectations for implementation of CCA programs. These actions include Commission adoption of numerous subsequent orders which approved CCA Administrators and included clarifications and refinements to the CCA rules, the DPS developed CCA Guidance Document in 2019,<sup>12</sup> as well as an Order directing the IOUs to remove certain "fees associated with the release of customer data."<sup>13</sup>

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<sup>9</sup> Matter 22-00945, supra, Recommendations Regarding Long Island Power Authority's Proposed Modifications to its Tariff for Electric Service, (issued December 9, 2022).

<sup>10</sup> Case 14-M-0224, Proceeding on Motion of the Commission to Enable Community Choice Aggregation, Order Modifying Community Choice Aggregation Programs and Establishing Further Process (issued January 19, 2023) (CCA Modification Order).

<sup>11</sup> Case 14-M-0224, supra, Order Authorizing Framework for Community Choice Aggregation Opt-Out Program (issued April 21, 2016) (CCA Framework Order).

<sup>12</sup> Case 14-M-0224, supra, CCA Guidance Document (issued August 26, 2019) (DPS Guidance Document).

<sup>13</sup> Case 20-M-0082, Proceeding on Motion of the Commission Regarding Strategic Use of Energy Related Data, Order Denying Rehearing, Providing Clarification, and Confirming Tariff Modifications (issued November 18, 2021), p. 15.

LIPA established CCA programs on Long Island with DPS' positive recommendation in 2020.<sup>14</sup> Additionally, a DPS Staff Whitepaper issued on April 14, 2021, provided recommendations for improvements to the State's CCA program.<sup>15</sup> The April 2021 Whitepaper outlined recommendations to standardize program filing requirements, streamline the filing process, modify existing requirements, and adopt additional requirements that would provide uniformity, transparency, and clarity across all CCA programs on a statewide basis.

Further, on October 21, 2021, DPS Staff issued a Whitepaper regarding LI Choice and Energy Service Companies (ESCOs) on Long Island, resulting from Staff's continual collaborative efforts to engage stakeholders to continually update and enhance the LI Choice and CCA.<sup>16</sup> In 2022, the Public Service Law and the Public Authorities Law were amended to require the Commission, in consultation with New York State Energy Research & Development Authority (NYSERDA) and LIPA, to establish a Long Island Community Choice Aggregation program.<sup>17</sup> While CCA programs were already authorized under LIPA's Tariff in 2020, the change to the Public Service Law and Public Authorities Law created a statutory requirement for LIPA to offer such programs and to ensure further consistency with the Commission's statewide rules regarding CCA programs.

On January 19, 2023, the Commission adopted the CCA Whitepaper recommendations with modifications, issuing the CCA Modification Order.<sup>18</sup> The CCA Modification Order directed DPS to file a complete listing of CCA Program Rules to further support clarity and consistency between CCA Administrators.<sup>19</sup> These rules incorporate all existing requirements that have been adopted by the Commission to date and identify the responsibilities and requirements of CCA market participants. These CCA Program Rules will be updated as rules are added or modified by the Commission and will be available on the Department's CCA webpage. CCA Administrators must attest to the acknowledgement of these program rules when submitting their Master Implementation Plan.

LIPA's CCA program, as modified, is aligned with the requirements for CCA programs throughout the rest of New York State. Similar to the IOUs' CCA tariffs, LIPA's CCA tariff discontinues customer data charges, removes references to data security screens that are no longer necessary, refines the types of data to be disclosed to a

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<sup>14</sup> Matter 20-00587, Tariff Filing of Long Island Power Authority to Modify its Tariff for Electric Service 2020, DPS Recommendations (issued May 12, 2020) pp. 7-8.

<sup>15</sup> Case 14-M-0224, supra, Department of Public Service Staff Whitepaper on Community Choice Aggregation Programs (issued April 14, 2021).

<sup>16</sup> Matter 15-02754, In the Matter of Examining the Potential Benefits of Retail Competition for Long Island Electric Customers, Staff Whitepaper on Long Island Choice Program (issued October 22, 2021).

<sup>17</sup> Public Service Law § 74-b and Public Authorities Law § 1020-s(1)(f).

<sup>18</sup> Case 14-M-0224, supra, Order Modifying Community Choice Aggregation Programs and Establishing Further Process (issued January 19, 2023) (CCA Modification Order).

<sup>19</sup> Case 14-M-0224, supra, Department of Public Service Staff Community Choice Aggregation Program Rules (issued March 20, 2023).

municipality or its designee, and incorporates by reference the 2023 DPS CCA Program Rules.

DPS Staff has reviewed LIPA's proposal and determined that it largely brings LIPA's CCA program into alignment with the CCA program requirements instituted by the Commission. Staff highlights that LIPA's proposal outlines a dispute resolution process in Section 2d which differs from the rest of the IOUs. The process follows LIPA's Uniform Business Practices (UBP) for Electric Energy Service Companies and provides for a collaborative process between the parties involved in the dispute and DPS. Staff agrees that this process is appropriate and recommends adoption of the dispute resolution process as proposed.

To bring LIPA's CCA program into further alignment with the Commission's requirements, we recommend LIPA make one revision to the text of its Tariff. In Section 2 of LIPA's Long Island Choice Program tariff, "Rules and Governance," subsection 'b' Staff recommends that the tariff be revised so that "LIPA, municipalities participating in the CCA, and CCA administrators will follow the Public Service Commission's Community Choice Aggregation Orders (e.g., 14-M-0224) and Program Rules, as added and further amended from time to time." We recommend that LIPA remove specific reference to "March 2023" as a date certain and instead reference the program rules to structure the Tariff provision to maintain consistency with the Department's rules on an on-going basis. This change to the Tariff language fosters greater alignment with the Department's CCA program rules. Accordingly, Staff supports the adoption of LIPA's proposal with this modification as discussed above.

### **Demand Response Program Update**

LIPA proposes two modifications to its Tariff regarding its Dynamic Load Management (DLM) programs, which will affect the Commercial System Relief Program (CSR) and Distribution Load Relief Program (DLRP). First, LIPA proposes to add Direct Metering as an alternate measurement methodology for customers' load relief performance during Demand Response events. Second, LIPA proposes to modify the measurement of the Performance Factor to align it with the Commission's Order Directing Dynamic Load Management Program Changes issued on April 21, 2023.<sup>20</sup>

Section XIII of LIPA's Tariff outlines three DLM programs: 1) a Direct Load Control Program (DLC), 2) a CSR, and 3) a DLRP. These DLM programs, also referred to as Demand Response (DR) programs, increase system reliability and reduce infrastructure investments by incentivizing customers to reduce load during specific times or events. The CSR involves customer-initiated load reductions during identified critical peak periods, while the DLRP offers contingency load relief for unforeseen reliability events. CSR and DLRP are open to both directly participating customers (Direct Participants) providing at least 50 kW of load relief as well as customers participating through aggregators. An aggregator is a party that aggregates the load of

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<sup>20</sup> Case 14-E-0423, Proceeding on Motion of the Commission to Develop Dynamic Load Management Programs, Order Directing Dynamic Load Management Program Changes (issued April 21, 2023).

customers who collectively have a load relief potential of 50 kW or greater and is responsible for the actions of the customers it represents.

LIPA's proposal will allow customers to use Direct Metering of their energy storage system to measure their load relief performance during DR events. Third-party aggregators will enroll residential customers with behind-the-meter energy storage equipment and arrange for metering and communications protocols. This methodology will allow the aggregators to directly measure the performance of the individual residential energy storage systems during load reduction events and electronically report that performance to LIPA.

Third-Party Aggregators may use Direct Metering of the energy storage system output to verify the actual load relief provided (kW and kWh) by the customer's energy storage system during each hour of a load relief period or test event. Direct Metering will serve as a substitute for the current Customer Base Line (CBL) approach. CBL measures performance by comparing the customer's energy usage during the hours of the load reduction event to the energy used during the five or ten-day period preceding the DR event. Reliance on CBL presents obstacles, such as its dependence on multiple variables including the selection of days for baseline measurement. Additionally, several factors can contribute to variances in a customer's average energy use for the selected days that may result in an inaccurate estimate for load relief produced by the customer during DR events. CBL will continue to apply to participating customers without energy storage systems or the Direct Meters and the appropriate communications capabilities.

Next, LIPA proposes to modify the measurement of the performance factor to align it with the requirements contained in the Commission's April 21, 2023 Order in Case 14-E-0423. By its Order the Commission directed New York State Electric and Gas Company (NYSEG), Rochester Gas and Electric Corporation (RG&E), and Orange and Rockland Utilities, Inc. (O&R) to modify their tariff language to require that if the monthly Performance Factor is calculated to be less than or equal to 25 percent, the monthly Performance Factor will be set to zero. The performance factor is defined as the ratio of the average load relief, measured in kilowatts (kW), provided by the Direct Participant or Aggregator during requested hours to the contracted Load Relief. LIPA's proposal will set the performance factor to zero if the actual calculation of the performance factor is 25 percent or less.

After reviewing LIPA's proposal, Staff concludes that the proposed changes to the performance factor floor will not significantly impact LIPA's DLM program, and the modifications align with Commission Orders for the New York IOUs. Additionally, Staff recognizes that the proposal for Direct Metering offers a simpler and more accurate alternative for customers than the current CBL approach. Therefore, Staff recommends adoption of both modifications to the DLM tariff as proposed.

## Modifications to the LMI program

LIPA is proposing to expand the eligibility requirements for their LMI program in accordance with tariff modifications adopted by Investor-Owned Utilities in New York pursuant to the August 12, 2021, and October 13, 2022 Orders in Case 14-M-0565.<sup>21</sup> In its Order issued on August 12, 2021, the Commission directed DPS Staff to convene a stakeholder Energy Affordability Policy (EAP) Working Group, and directed the Joint Utilities to enroll low-income affordability customers in their respective Low Income Discount Programs (those who can provide documentation proving their enrollment in public assistance programs associated with the federal Lifeline program). The Commission also adopted various recommendations provided in Staff's EAP Whitepaper.<sup>22</sup> Tariff amendments to implement the modifications to bill discount programs adopted in the August 12, 2021 Order were adopted on a permanent basis in the Commission's October 13, 2022 Order.

LIPA proposes to expand the LMI program's eligibility requirements to include recipients of several assistance programs, or any public assistance program that would qualify under the Federal Lifeline Program.<sup>23</sup> This change will ensure that LIPA's customers have the same eligibility for the LMI program as utility customers throughout New York State.

In addition, the proposal also expands the enrollment period for the LMI Program to 14 months from the current 12 months. Additionally, customers will continue to receive a four (4) month "Grace Period" after their enrollment expires to renew their enrollment and will continue receiving discounted charges during this period. Taken together with the Grace Period, this change will ensure that customers will remain enrolled in the LMI program for at least 18 months before their enrollment ends. Staff reviewed LIPA's proposal and it is consistent with Commission's August 12, 2021, and October 13, 2022 Orders.

The proposed tariff modifications will align the eligibility criteria for LIPA's low-income program with the eligibility criteria in KeySpan Gas East Corporation d/b/a Brooklyn Union of Long Island (KEDLI) tariff, ensuring that low-income customers in the same service territory receive similar discounts. DPS Staff supports the adoption of the proposed modifications to the LMI program as proposed. Staff also recommends that

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<sup>21</sup> Case 14-M-0565, Proceeding on Motion of the Commission to Examine Programs to Address Energy Affordability for Low Income Utility Customers, Order Adopting Energy Affordability Policy Modifications and Directing Utility Filings (issued August 12, 2021) AND Case 14-M-0565, supra, Approving Tariff Amendments on a Permanent Basis (issued October 13, 2022).

<sup>22</sup> Case 14-M-0565, supra, Staff Report on New York State's Energy Affordability Policy (issued February 4, 2021).

<sup>23</sup> Eligible programs include Low-Income Home Energy Assistance Program ("LIHEAP"); Medicaid; Supplemental Nutrition Assistance Program ("SNAP"); Supplemental Security Income ("SSI"); Temporary Assistance for Needy Family Assistance ("FA"); Safety Net Assistance – Public Assistance; United States Veteran's Disability Pension or Veteran's Surviving Spouse Pension, and Child Health Plus or Federal Lifeline Program.

LIPA and its Service Provider continue to comply with low-income discount objectives outlined in Case 14-M-0565 and continue to participate in the EAP Working Group to ensure that the target energy burden is set at or below six percent of household income for all low-income households in LIPA's territory.

### **Clarification to the Clean Energy Standard Financial Backstop Mechanism**

LIPA proposes to modify its Tariff to change the cost recovery mechanisms associated with New York State's CES financial backstop mechanism and clarify the cost recovery through the Power Supply Charge.<sup>24</sup> The proposal specifies the costs linked to the CES financial backstop process will be recovered through the Power Supply Charge over a period of 12 months. The financial impact of the proposal depends on the allocated backstop costs, with LIPA's initial share at \$4,523,048 or approximately \$0.000241 per kWh of energy that LIPA delivers. For a typical LIPA customer with an average monthly consumption of 742 kWh, this results in a financial impact of approximately \$0.18 per month for 12 months.

The CES Framework Order looked to New York Load Serving Entities (LSEs), including LIPA, to meet the State's clean energy goals "by satisfying their requisite share of responsibility."<sup>25</sup> The CES has two requirements, the Renewable Energy Standard (RES) and a Zero-Emissions Credit (ZEC) requirement, which requires that LSEs procure Renewable Energy Credits (RECs) or ZECs from qualifying generators in each compliance year. Pursuant to the CES Administrative Order, Electric Distribution Companies (EDCs) were directed to collaborate with NYSERDA to develop a financial backstop mechanism that would address any CES program shortfalls.<sup>26</sup> Further, the Commission, in its June 23, 2023 Order Approving Financial Backstop Collection Mechanism, recently approved the implementation of a financial backstop collection mechanism to ensure that NYSERDA has the necessary funds available for timely payments to eligible generators to adequately sustain the ZEC program.<sup>27</sup> The backstop costs will be recovered annually from all EDC customers. This will allow NYSERDA to pay any ZEC deficits and forecasted shortfalls approved by the Commission. Also, in that Order the Commission reiterated that it has "urged ... LIPA to implement a backstop mechanism to ensure a full and equitable implementation of this vital statewide policy."<sup>28</sup>

DPS Staff reviewed LIPA's Tariff proposal and determined that it aligns with the requirements in the Commission's June 23, 2023 Order. The initial costs for LIPA's

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<sup>24</sup> LIPA's Tariff, p. 25

<sup>25</sup> Case 15-E-0302, Proceeding on Motion of the Commission to Implement a Large-Scale Renewable Program and a Clean Energy Standard, Order Adopting A Clean Energy Standard (issued August 1, 2016), p. 8. (CES Framework Order).

<sup>26</sup> Case No. 15-E-0302, supra, Order Approving Administrative Costs Recovery, Standardized Agreements and Backstop Principles (issued November 17, 2016), p. 23. (CES Administrative Order)

<sup>27</sup> Case No. 15-E-0302, supra, Order Approving Financial Backstop Collection Mechanism (issued June 23, 2023), p. 2.

<sup>28</sup> Id., p. 18.

share of the backstop mechanisms will be determined by the MWh load ratio share in 2022 and the ZEC deficit amount reported by NYSERDA. With a ZEC deficit totaling \$33,295,904 (including \$28,515,346 from NYSERDA's petition and an additional \$4,780,558 deficit accumulated from April 1, 2019, through March 31, 2022), LIPA's MWh load ratio was applied to calculate its initial costs at \$4,523,048.<sup>29</sup> Following the allocation of these costs to LIPA, this amount will not be included in the Market Supply Charge<sup>30</sup>. Since Energy Service Companies (ESCOs) are not billed for the backstop payments, their participating customers will be billed for their share of the backstop payments through the Local Supply Charge.<sup>31</sup>

LIPA's participation in the financial backstop collection process is crucial to providing NYSERDA with sufficient funds to compensate qualifying generators, support New York State's commitment to achieve 70 percent renewable energy by 2030, as well as aligning with both the CES and the Climate Leadership and Community Protection Act (CLCPA) goals. Therefore, DPS Staff recommends LIPA's proposal be adopted as proposed.

### Modification to the SGIP

LIPA is proposing modifications to their Small Generator Interconnection Procedures (SGIP) to align them with the Commission's April 21, 2023, Order that adopted modifications to the Statewide Standardized Interconnection Procedures (SIR).<sup>32</sup> The modifications contained in the April 21, 2023, Order ensure that all smart inverters installed in New York under the SIR process are tested and certified to the latest industry standards and practices following recent updates to the Institute of Electrical and Electronics Engineers (IEEE) 1547 standards for smart inverter functionality and the associated testing certification.<sup>33</sup> LIPA's proposal includes several changes to the SGIP that are consistent with the modifications adopted for the SIR.

LIPA has proposed adding references to the most recent revision of Underwriter Laboratories (UL) 1741, including supplement B (UL 1741 SB), which provides safety standard for inverters, converters and interconnection system equipment used with Distributed Energy Resources (DERs). Also, LIPA's proposal will add language that requires PSEG LI to provide the applicant with an updated cost estimate. Applicants would receive an update within ten (10) Business Days from the completion of design work if the scope of work has changed from the Coordinated Electric System Interconnection Review ("CESIR") estimate. In addition, this proposal adds language stipulating a process for removal from the interconnection queue if a timely deposit payment is not made or if the applicant does not complete a timely final acceptance of

<sup>29</sup> Case 15-E-0302, supra, Order Approving Financial Backstop Collection Mechanism (issued June 23, 2023), pp. 12-13.

<sup>30</sup> LIPA's Tariff, p. 222

<sup>31</sup> Response to DPS-23019, p. 2.

<sup>32</sup> Case 22-E-0713, Petition of the IPWG/ITWG Members Seeking Certain Minor Amendments to the New York State Standardized Interconnection Requirements, Order Modifying Standardized Interconnection Requirements (issued April 21, 2023).

<sup>33</sup> Id., p. 4.



the interconnection agreement. Moreover, LIPA proposed changes to Appendix H, Property Owner Consent Form and Appendix H-1, Site Control Certification Form to clarify which entity would sign these forms when the landowner is different from the building owner. LIPA asserts that these modifications will not have a financial impact.

Staff has reviewed the proposal and determined that the proposed change to SGIP will not have a financial impact. Additionally, the proposed changes align with the current revisions made to the SIP following the modifications adopted by the Commission on April 21, 2023.<sup>34</sup> Therefore, Staff recommends adoption of the changes to SGIP as proposed.

### Conclusion

Department Staff has reviewed LIPA's proposed Tariff modifications and finds the proposed updates consistent with Commission Orders, DPS Staff Whitepapers, and other New York IOU Tariffs. The Department therefore recommends that, in accordance with the foregoing discussion the Tariff modifications be adopted by the LIPA Board of Trustees.

Respectfully submitted,



Rory M. Christian  
Chief Executive Officer

CC: Thomas Falcone, LIPA Chief Executive Officer  
Bobbi O'Connor, LIPA General Counsel & Secretary to the Board of Trustees  
William Wai, LIPA Director of Rates  
David C. Lyons, PSEG LI Interim President and Chief Operating Officer  
Andrea Elder-Howell, PSEG LI VP Legal Services  
Carrie Meek Gallagher, DPS LI Director  
Nicholas Forst, DPS LI Counsel  
Peter Hilerio, DPS LI Counsel

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<sup>34</sup> Id.



**Rory M. Christian**  
Chair and  
Chief Executive Officer

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December 6, 2023

Via Electronic Mail:

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Long Island Power Authority  
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Re: Matter 23-00071 - Tariff Filing of Long Island Power Authority to Modify its Tariff for Electric Service 2023

Ms. O'Connor:

On November 30, 2023, the Department of Public Service (DPS or the Department) issued recommendations concerning the Long Island Power Authority's (LIPA or the Authority) proposed modifications to its Tariff.<sup>1</sup> Contained therein are recommendations concerning LIPA's proposed modifications to its Community Choice Aggregation Program (CCA) and the associated Tariff provisions governing dispute resolution.<sup>2</sup> By this letter I am providing a correction to those recommendations.

Staff's recommendations refer to a dispute resolution process, in pertinent part:

Staff highlights that LIPA's proposal outlines a dispute resolution process in Section 2d which differs from the rest of the IOUs. The process follows LIPA's Uniform Business Practices (UBP) for Electric Energy Service Companies [ESCOs] and provides for a collaborative process between the parties involved in the dispute and DPS. Staff agrees that this process is appropriate and recommends adoption of the dispute resolution process as proposed.

The Department states that these procedures were contained in LIPA's proposal, and DPS recommended adoption "as proposed." The reference to procedures which mirror LIPA's UBP should be corrected as they were not included in LIPA's original proposal.<sup>3</sup> Specifically, the errant use of "proposal" and "as proposed" should be corrected.

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<sup>1</sup> Matter 23-00071, Tariff Filing of Long Island Power Authority to Modify its Tariff for Electric Service 2023, DPS Staff Recommendations (issued November 30, 2023). (DPS Recommendations).

<sup>2</sup> *Id.*, pp. 5-7.

<sup>3</sup> LIPA's LI Choice Tariff Proposal, <https://www.lipower.org/wp-content/uploads/2023/09/CCA-Tariff-Modification-Proposal.pdf> (accessed December 5, 2023).

Instead, DPS maintains its recommendations in support of LIPA's CCA modifications and, more aptly, DPS recommends that LIPA adopt a dispute resolution process as part of these tariff modifications, i.e., which should follow LIPA's dispute resolution process contained in its UBP for ESCOs.

Should you have any questions, please do not hesitate to contact me.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Nick Forst', written in a cursive style.

Nicholas Forst, Esq.  
DPS LI Counsel

CC: Thomas Falcone, LIPA Chief Executive Officer  
William Wai, LIPA Director of Rates  
Lisa Zafonte, LIPA Counsel  
David C. Lyons, PSEG LI Interim President and Chief Operating Officer  
Andrea Elder-Howell, PSEG LI VP Legal Services  
Carrie Meek Gallagher, DPS LI Director  
Peter Hilerio, DPS LI Counsel

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LONG ISLAND POWER AUTHORITY

-----X

HYBRID BUDGET AND TARIFF

PUBLIC HEARING

-----X

LIPA's Offices

333 Earle Ovington BLVD.

November 27th, 2023

6:00 p.m.

B E F O R E:

JOHN LITTLE, LIPA

THE PRESIDING OFFICER

1

2 A P P E A R A N C E S:

3 LIPA

4 John Little, The Presiding Officer

5 Donna Mongiardo, Vice President & Controller

6 Other Staff

7 Members of the Public via zoom

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P R O C E E D I N G S

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THE PRESIDING OFFICER: Okay.

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We're on the record right now. Good evening,

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everyone, and welcome to LIPA's public hearing. My

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name is John Little and I'll be the presiding

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officer for this hearing.

8

Also with me is Donna Mongiardo,

9

Vice President, and Controller for LIPA. We will

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also be speaking about LIPA's proposed budget for

11

2024.

12

The purpose of this hearing is to

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receive public comment on proposed changes to the

14

Authority's tariff on six topics:

15

One, to implement rate adjustments

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as determined through the annual budget process.

17

The resulting rate adjustments will increase the

18

annual delivery revenues of LIPA by amount that

19

does not exceed two and a half percent, and will be

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effectuated through a pro-rata increase in all the

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service classifications.

22

Secondly, to modify the small

23

generator interconnection procedures for

24

distributed generators, and/or energy storage

25

systems that are less than 10 megawatts connected

1  
2 in parallel with our radial distribution system,  
3 alternate implement changes consistent with the  
4 amendments of the Statewide New York State  
5 standardized interconnection requirements and the  
6 application process for new distributed generators.

7 Thirdly, to implement changes to  
8 the LIPA Long Island Choice Program that are  
9 consistent with recent more Public Service  
10 Commission policies and rules under case 14-M-0224.

11 This proposal will remove  
12 references to data security screens that are no  
13 longer necessary, and since the inception of the  
14 new data security agreements or DSAs, also refine  
15 the types of data to be disclosed to a  
16 municipality, reference the most recent rules, and  
17 discontinue charges for CCA that's receiving  
18 customer data from LIPA.

19 Fourth, share an increased  
20 participation in the Dynamic Load Management  
21 Program among residential customers who install  
22 behind-the-meter battery systems. This program  
23 will align us better with energy storage system  
24 technologies, the goals of the CLCPA, and accepted  
25 industry practice.

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Fifth, to clarify that the cost associated with participation in New York's Clean Energy Standard programs will be recovered through the power supply charge, and that the financial backstop costs will be recovered over a period of 12 months.

And lastly, to expand the eligibility requirements for our low-income program so that LIPA's electric customers can have the same eligibility as natural gas customers on Long Island, and electric customers throughout the State. And to clarify that the enrollment and the renewal period for a low-income program is 14 months. This would mean that customers on Long Island receiving the low-income discounts from National Grid for their natural gas therapist would also be eligible to receive discounts, our low-income discounts, for their electric service.

Copies of the tariff proposals are available on the Authority's website. That's [www.lipower.org](http://www.lipower.org), and are incorporated into the record for this hearing.

The procedure for tonight is fairly simple. In a moment, Donna and I are going



1  
2 to provide a short overview of the proposals, and  
3 then I'm going to call for comments from the  
4 public, who are in the room first, and on the  
5 signup sheet. And then when, you know, when called  
6 up to speak, if you could come sit at a table there  
7 by the microphone so that the reporters can hear  
8 you, and the public and tell us your name, any  
9 affiliations you may be speaking on behalf of. And  
10 then, you know, please share us your comments that  
11 you'd like to be sent to the Board.

12                   Again, please understand that this  
13 -- the purpose of this hearing is to receive your  
14 comments, so we'll be not responding to questions  
15 and comments of today's hearings. We'll be  
16 summarizing them and relaying them directly to the  
17 Board of Trustees for their consideration before  
18 the next Board meeting. And of course, will be  
19 shared with LIPA staff, and the PSEG Long Island  
20 staff.

21                   We'd like to turn to the proposed  
22 slides now. Here we go. So again, to repeat, the  
23 six items I'm going to be talking about today are  
24 the annual delivery rate update, which Donna will  
25 present as part of the 2024 budget. And then I'll

1

2 be talking about the small generator reconnection  
3 procedures, the Choice Program, dynamic load  
4 management, the Clean Energy standard, and our  
5 low-income program eligibility.

6 So Donna, now give a brief  
7 summary, if you would.

8 MS. MONGIARDO: Thank you, John.  
9 Good evening. I am Donna Mongiardo, Vice  
10 President, Controller here at LIPA. For November  
11 15th, we -- can you put the next page? On November  
12 15th, we provided our Board with the proposed  
13 budget for 2024. And we commit to deliver our  
14 value to our 1.2 million customer-owners with  
15 clean, reliable, and affordable electric service.  
16 Our process starts with our LIPA Board objectives,  
17 with six objectives.

18 And we strive to deliver in  
19 reliability, customer experience, information  
20 technology, clean energy, customer affordability,  
21 and fiscal sustainability. The budget process  
22 starts with these objectives set by a Board of  
23 Trustees and reflected in LIPA's policies.

24 Our key objectives for the 2024  
25 budget. We have accountability for performance.

1

2 Can we advance in -- thank you. So for 2024, LIPA  
3 has proposed 61 performance standards. They've  
4 been independently reviewed and recommended to the  
5 LIPA Board by DPS. It's the Department of Public  
6 Service, Long Island Division. And those  
7 performance standards are available on LIPA's  
8 websites.

9 Approximately \$20 million for  
10 inflation, a variable comp is at risk for these  
11 2024 performance metrics. These are performance  
12 metrics to be delivered upon by our service  
13 provider, PSEG Long Island.

14 With these performance metrics  
15 that's outlined in the budget, we're looking to be  
16 strived to make the grid reliable, more resilient.  
17 We've accomplished that with a decrease of 37  
18 percent. Our customers with power outages have gone  
19 down 37 percent. Customers with more than four  
20 outages per year are down 71 percent. Customers  
21 with flicker interruptions, down 58 percent. And  
22 we are, as in our Board policy, striving to be in  
23 the top 10 percent in reliability.

24 Also, outlined in the budget and  
25 in our Board objectives is transitioning to a

1

2 zero-carbon grid. By 2030, we expect to be 70  
3 percent decreased in carbon.

4

Our 2024 operating budget, this  
5 slide on the left-hand side starts at \$4.1 billion,  
6 4.146.7. That was our 2023 budget. We have a one  
7 percent increase in revenues. You see that in the  
8 far-right column, 4.190.8.

9

Our largest increases. We have  
10 new initiatives totaling \$32 million that'll  
11 consist of areas under information technology,  
12 safety, customer experience, and we also have  
13 non-flavored non-labor inflation of 27 million.  
14 And then retirement benefits and wages for our  
15 service provider as well, which is also \$27  
16 million. The rest of this charge is smaller  
17 dollars, and they're primarily offset by  
18 productivity and other adjustments.

19

We also have our power supply  
20 cost, which is coming down \$53 million this year,  
21 and that is direct flow through direct customers.  
22 It resets monthly. So even if it comes in higher  
23 or lower, we reflect those in revenue throughout  
24 the year. So this is only a one percent increase  
25 in revenue.

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Also included in our budget is a slight increase for storm budget needs. We prepare and respond as necessary when we have major storms. As you can see from the chart below, storm restoration can be very volatile in nature depending on how many storms we have in a year. And on the average over the past 10 years, it's about \$84 million. So we've reflected a \$4 million increase over the prior year.

In 2023, we had an \$80 million budget. We're bringing that to 84. If we come in above or below what is set in our budget, we have a delivery service adjustment, which gets reflected for -- in adjustments for the following year.

Also in line with our fiscal sustainability Board policy, we are maximizing our grant opportunities here at LIPA. We pursue grants from FEMA as well as -- as well as any new grants from NYSERDA or DOE. But this table here reflects our grants that we have pursued already.

So we have \$1.2 billion in cost, and we've received reimbursement from FEMA, and that is in the next column, \$2.2 billion. And so that reflects both our recovery costs as well as

1  
2 mitigation grants. So after specific storms, if  
3 they're major storms, people will provide us  
4 opportunities to mitigate our system further and  
5 provide funds for that. So that happens with Sandy  
6 mitigation, and that's happening with Isaias. We  
7 have a mitigation claim for \$446 million, and also  
8 COVID-19 pandemic mitigation claim. So we strive  
9 to lower costs to our customers.

10                   Minimizing our costs for our  
11 customers. In the 2024 budget, this table lists  
12 out areas where we've cut back costs for 2024.  
13 These are decisions that have been made for the  
14 past 10 years here at the Authority. We had the  
15 LIPA reform act, which caps property taxes at two  
16 percent. We have estimated about a \$460 million  
17 impact from that. We discontinued investments in  
18 combined cycle plans, and that's approximately \$355  
19 million.

20                   We continue to refinance our debt  
21 for \$142 million savings in 2024. PSEG -- LIPA  
22 reviewed PSEG's 2024 budget proposal, and we've  
23 trimmed back \$75 million from that O&M request,  
24 plus \$51 million in capital. So this table comes  
25 to about \$1.2 billion of cost savings in 2024, 27

1

2 percent of electric bills, or \$50 a month for our  
3 typical residential customer.

4

5 In total, this table here compares  
6 what our 2022 actual bills were compared to a 2023  
7 budgeted amount. The amount under there is a  
8 little bit small, but that says 2023 budget. We  
9 had a 176,000 and 86 cents for a typical  
residential customer.

10

11 For 2023, our projected cost is  
12 down to 167.28. We have lower power supply costs,  
13 and as I said, that goes right back to our  
14 customers monthly. So that reduced the annual cost  
15 by \$8 and 90 cents. And in total it was -- we had  
16 other assessments that were lower about \$68,000.  
In total, it was \$9 and 58 cents lower.

17

18 So our projection for 2024  
19 proposed budget is \$186 and 71 cents. Our  
20 operating revenues are only up one percent, but our  
21 typical customer bill is projected to be \$9 and 85  
22 cents higher than what we had budgeted in 2023, and  
23 \$19 and 43 cents higher than what we're projecting  
for 2023.

24

25 In 2023, we had a one-time bill  
credit of \$2 and 98 cents, which was a result of

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2 certain property tax settlements that will not  
3 reoccur in 2024. We also have higher power supply  
4 costs forecasted in 2024; \$4 and 20 cents. That's  
5 the second yellow box.

6 We have the revenue decoupling  
7 mechanism in 2023, which we will not have a credit  
8 in 2024. That is \$6 and 15 cents impact. And then  
9 we have the delivery service rate, which is an  
10 expected increase of \$4 and 95 cents. That  
11 delivery service rate goes back to the first  
12 spreadsheet with the delivery revenue change of  
13 only one percent.

14 To sum that all up, in overall,  
15 prices of goods and services throughout the country  
16 has increased. Our utility bills have increased,  
17 but despite our challenges, we remain committed to  
18 providing electricity at the lowest possible cost  
19 for our customers.

20 Rising cost of goods and services  
21 since 2018. Gasoline has gone up 60 percent; fuel  
22 oil, 56 percent; food, 27 percent; transportation  
23 services, 24. We continue on the chart as you can  
24 see, but LIPA's projected only 18 percent compared  
25 to all the other goods and services.



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And as part of our fiscal sustainability affordability policy, excuse me, is helping out low to moderate-income customers. So LIPA offers electricity bill discounts to our low to moderate-income customers, with a goal that household energy bills should be no greater than six percent of household income.

In July 2022, LIPA increased its base, low to moderate income to discount by 33 percent, with an additional 6.7 percent increase in 2023. For 2024, we are adding to that. We have an additional \$4 million of funding, 20 percent through the combination of 3.8 percent increase in annual discount, and a 25 percent increase in participation levels. We are expanding our participation level from just under 40,000 participants in 2023 to 50,000 participants by the end of 2024 as reflected in the chart on the right-hand side.

That concludes the budget proposal. The next page is the additional proposals for consideration.

John?

THE PRESIDING OFFICER: Thank you,

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2 Donna. And so, in addition to the base rate  
3 increases or the delivery rate increases the time  
4 just referred to, again, we've got these five  
5 proposals to the Board to remain other elements or  
6 aspects of our tariff.

7

8 For the small generator  
9 reconnection procedures, those are the generators,  
10 obviously, you know, power generators that attach  
11 to our system. And we're trying to update the  
12 rules to stay consistent with the, you know, State  
13 Public Service Commission policies. The PSC, or  
14 the Commission, has been increasing the ease with  
15 which customers can connect to our system. And  
16 we're requesting that the Trustees approve similar  
17 changes for us.

18

19 On the Long Island Choice Program,  
20 which is a retail access program, where we do buy  
21 your power supply from another company, we're  
22 updating the Chair mostly for the CCA, the  
23 community aggregation programs. And so, these are  
24 programs where a municipality can organize, find  
25 their own power supply for their residents and  
businesses, and we'll provide the delivery service.  
So in keeping with recent legislation and the

1

2 Public Service Commission rules, we're trying to  
3 update all of our agreements to match the  
4 State-wide standards for that.

5 On the Dynamic load management,  
6 these are customers who will cut back on energy on  
7 critical days or otherwise prepare their usage so  
8 that we have enough power to serve everybody's  
9 needs. We're introducing a battery storage  
10 program, and we want to -- the Trustees to approve  
11 the battery storage program, so the customers who  
12 had batteries will use them on days when we have,  
13 you know, critical loads. And use it to manage our  
14 supplies.

15 So we're asking for a big change  
16 there. Primarily by saying that -- excuse me.  
17 Primarily, by saying that the performance of the  
18 batteries will be measured at their inverters, and  
19 instead of the more complicated approach we have  
20 today, and we'll just use the battery -- the  
21 inverter readings which are all utility grade --  
22 utility standard and meet the except standards of  
23 the industry.

24 On the power supply charge, to  
25 stay with the CLCPA, which is basically the clean

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2 energy standard, New York State is arranging a  
3 different way to buy some renewable resources and  
4 they have approved rules throughout the State, in  
5 terms of how backstop costs will be recovered.

6 That is, you know, just balancing the purchases  
7 that NYSERDA, the New York State Energy -- sorry,  
8 NYSERDA, how they do their supplies. And so, we  
9 will incorporate those -- any charges we get from  
10 NYSERDA on our power supply charge, and they'll be  
11 reflected as either debits or credits.

12 And lastly, low income discount.

13 As we mentioned we're expanding our eligibility,  
14 not just by setting a higher target for PSEG to  
15 retain in terms of, you know, identifying 50,000  
16 low-income customers who need our qualifications,  
17 but we're also expanding the qualifications to be  
18 the same ones that are eligible for the gas  
19 customers on Long Island, and the electric  
20 customers throughout the State. So a few more  
21 programs are being added to our list of eligible  
22 programs. That's the way a customer demonstrates  
23 that they're in a low-income situation and can  
24 qualify for these discounts.

25 So those are the topics for this

1  
2 evening's discussion. I'm now going to open the  
3 floor for public comments starting with people in  
4 the -- in the room. And our first speaker is Fred  
5 Harrison. If you could come up there by the  
6 microphone, and, you know, just tell us your name,  
7 any affiliations you have, or groups you're  
8 representing. And please let, you know, let us  
9 know what you'd like the Board to hear.

10 MR. HARRISON: Thank you very  
11 much, and thank you for the presentations. I hope  
12 everybody had a good Thanksgiving. It's one of  
13 those nice holidays when you get to see people you  
14 normally don't and talk with them, and I hope you  
15 all enjoyed it. And I thank you for doing this  
16 hearing, even though we don't have a full room  
17 because it's important just to keep these things  
18 going even if nobody shows up. It's just a matter  
19 of good process. I think that's why I chose to be  
20 here rather than go on Zoom. It probably would've  
21 been a lot more comfortable for me to stay at home  
22 and sit in my underwear and give a presentation,  
23 but I think it's just formally important.

24 I also want to say that, I want --  
25 I don't get to say this to anybody on mic, but I

1  
2 think the people of LIPA and PSEG do a lot of good  
3 work. And I never can say anything about this at  
4 Board meetings because I'm always limited to three  
5 minutes. And in three minutes you have to cut  
6 right to the chase, and if you spend any time  
7 saying anything nice, anything complimentary,  
8 anything good about what you think's going on, it  
9 eats into your time to say anything of substance  
10 and then you're cut off.

11 So I want to just -- I don't see a  
12 three-minute clock here, so I just wanted to get  
13 you to know that. And I think the good work is  
14 reflected in large part in the budget. And  
15 listening to the programs that are being talked  
16 about, I read through the budget, and I was at the  
17 last Board meeting, and I heard a thorough  
18 presentation. And so, I do think that's a lot of  
19 good work. And I'm not here to critique those  
20 programs. That's not why I chose to come to speak.

21 I came to make one request, and  
22 our budget proposals, where I didn't know how else  
23 to proceed on that. So let me just say that.

24 So I want to just begin with a  
25 request for more information. And the request has

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2 to do with -- I think that it would be important to  
3 have an accounting of all the costs related to the  
4 PSEG Operating Services Agreement. This accounting  
5 should include all the costs of the hybrid  
6 management model, not only the well-reported  
7 management fee. What additional resources has  
8 likely devoted to oversight and contract  
9 management?

10

11 Additionally, ratepayers should be  
12 made privy to the opportunity costs involved in  
13 this intensive supervision. What other work  
14 advancing ratepayer interests could have been  
15 accomplished if personnel did not have this burden.  
16 This should be a pretty easy calculation. LIPA  
17 does a superb job in its budget materials,  
18 highlighting the dollar value of avoided costs. We  
19 just saw some of that. The savings the future put  
20 that have been made.

21

22 This information is particularly  
23 relevant in light of the Legislative Commission's  
24 proposals, and the decisions that will have to be  
25 made in the next months on LIPA's future. I would  
like that those numbers be provided. And I think  
they would be important in public discussions about

1

2 LIPA and LIPA's future and the resources being  
3 developed there.

4 Now I have two budget proposals,  
5 with the cost to ratepayers holding 50 cents per  
6 month. The first proposal is the approval of a  
7 10-cent-a-month surcharge on customer bills for the  
8 establishment of a LIPA climate litigation fund.  
9 This fund would be available for legal action  
10 designed to recoup climate change adaptation costs  
11 to fossil fuel corporations. I have spoken to this  
12 issue before the Board several times, as have other  
13 organizations.

14 Although we don't have a  
15 LIPA-generated ratepayer survey, there is good  
16 evidence that ratepayers would support holding  
17 fossil fuel corporations accountable for climate  
18 costs. A brand-new study by Data for Progress  
19 shows that 70 percent of likely (unintelligible)  
20 favor, "making polluters pay for climate damages."  
21 This study confirms an earlier Yale study, which  
22 showed a big majority of Long Islanders would  
23 support a climate lawsuit. A 10 cents a month  
24 surcharge, or \$1 and 20 cents a year would provide  
25 the resource for the LIPA Board to act on a climate



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2 lawsuit in the year ahead.

3

4 My second proposal, that makes up  
5 40 percent of the 50 cents. Approval of what would  
6 be the equivalent of a 40 cents per month budget  
7 item for the establishment of a pilot program that  
8 help Long Island's working families switch from  
9 oil, heat, and hot water to heat pumps. LIPA, on a  
10 limited pilot basis, would undertake to contract,  
11 install, and finance the switch from oil to  
12 electric heat and not water for eligible  
13 households. LIPA has assessed on its own that  
14 between 400,000 and 500,000 Long Island households  
15 could benefit from the installation of coal, air  
16 heat pumps.

16

17 Replacing costs are a major  
18 obstacle for many households, particularly those  
19 who are already spending far in excess of six  
20 percent of income on energy. You've talked about  
21 that here in one of your programs.

21

22 Interestingly, according to brand  
23 new figures from the public utility law project  
24 that were introduced at the National Grid grade  
25 height hearings, we estimate that there were 89,000  
Long Island households with overall energy burdens

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2 averaging almost 14 percent. That's over 130  
3 percent beyond the six percent that the PSEG itself  
4 has set as a target.

5 LIPA's analysis concludes that 40  
6 percent of Long Island households could save money  
7 by transitioning to heat pumps. LIPA should stand  
8 behind its conclusions and take on this new role on  
9 behalf of ratepayers. Savings could be shared  
10 between LIPA and householders.

11 I'd like to just finish by saying,  
12 I hope in the future that LIPA will reconsider  
13 about how it goes about its budget process with the  
14 goal of increasing ratepayer participation.  
15 Stakeholder input should be included in the early  
16 phase of the budget process. As it works now, the  
17 republic hearings, after a consensus on the budget  
18 is reached, and after the budget presentation to  
19 the Board. Is this a best practice? Does this  
20 give ratepayers a sense that LIPA is their  
21 institution? One of the most important conclusions  
22 of the legislative commission on the future of LIPA  
23 was the need for a LIPA community stakeholder  
24 Board? Why? Because more participation and input  
25 is needed. And we do that by building the roots

1

2 for people to do this.

3

4 Anybody familiar with how school  
5 board's function know that the beginning of a  
6 budget starts with stakeholders, with community,  
7 with late budget committees, with teachers, with  
8 PTAs. They get input, they build the budget, it  
9 goes to the board, it goes to a board hearing, it  
10 goes to the community for a vote.

11

12 In our situation here, what  
13 happens if anybody has any idea? That is, they may  
14 be. For a budget proposal, it's almost too late  
15 for it to be examined and considered in any  
16 seriousness. I understand that. So I hope that  
17 there's some effort to think about this and to redo  
18 this because we don't need -- LIPA doesn't need a  
19 legislative directive coming down from Albany to  
20 figure out how to do this a bit better, what a  
21 better best practice might be. So I wanted to move  
22 on that. I thank you for your time. I hope I  
23 wasn't hectoring because I didn't mean to be, but  
24 thank you.

25

MS. MONGIARDO: Thank you.

26

THE PRESIDING OFFICER: Thank you  
27 very much. We appreciate the comments.

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Is there anybody, as for -- on the Zoom? If you're on the Zoom and you'd like to provide some comments to the Board, please raise your hand on the Zoom. Okay. Are there anybody there?

7

MR. HARRISON: Okay. Just folks.

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THE PRESIDING OFFICER: Okay. All right. Double-checking on the wall. It appears to be 6:30. Excuse me. Yes. So we started these hearings at about 6 o'clock, and so we've been open for about a half hour.

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If there's no other members of the public who wish to speak, okay, then, I'm going to conclude the public comment session. We had the one this morning, and we'll add this to it.

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And so, if you have other comments you want to provide to us in writing, you may submit them up until December 3rd. And that's please e-mail them to [tariffchanges@lipower.org](mailto:tariffchanges@lipower.org). That's tariffchanges, one word, and then that'll complete our session. We'll be making not only original transcripts of this but providing some summaries as well. All the materials will be provided to the Trustees before they consider the

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2 budget and the tariff proposals at the December  
3 13th Board meeting.

4 And with that, I'll go off the  
5 record.

6 (Whereupon, at 6:30 p.m., the  
7 hearing was concluded.)

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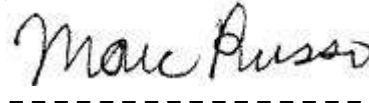
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STATE OF NEW YORK )  
SS.  
COUNTY OF NEW YORK )

I, MARC RUSSO, a Shorthand  
(Stenotype) Reporter and Notary Public within and  
for the State of New York, do hereby certify that  
the foregoing pages 1 through 27, taken at the time  
and place aforesaid, is a true and correct  
transcription of my shorthand notes.

IN WITNESS WHEREOF, I have  
hereunto set my name this 1st day of December 2023.



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MARC RUSSO

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LONG ISLAND POWER AUTHORITY

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HYBRID BUDGET AND TARIFF

PUBLIC HEARING

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H Lee Dennison Building,  
100 Veterans Memorial HWY,  
Hauppauge, New York 11788  
November 27th, 2023  
10:00 a.m.

B E F O R E:

JOHN LITTLE, LIPA  
THE PRESIDING OFFICER

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A P P E A R A N C E S

LIPA

John Little, The Presiding Officer

Donna Mongiardo, Vice President & Controller

Gaspare Tumminello, Manager of External Affairs

William Wai, Director of Rates



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P R O C E E D I N G S

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THE PRESIDING OFFICER: Good morning.

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Welcome to today's public hearing of the

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Long Island Power Authority. My name is

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John Little, and I am the presiding officer

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for this hearing. The purpose of the

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hearing is to receive public comments on

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proposed changes to LIPA's Tariff on six

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topics.

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There are no members of the public in

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the room today. It's about five minutes

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after 10:00, so I'm going to close the

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record; go off the record for a few minutes

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to see if any members of the public appear.

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(Time noted: 10:06 a.m. - 10:32 a.m.)

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Good morning, again. My name is John

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Little. I'm the presiding officer for this

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hearing. It's about 10:30, and there are no

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members of the public in the room. So I'm

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going to read an opening statement, and then

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see if anybody else shows up in the next

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couple of minutes.

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Today's public hearing for the Long

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Island Power Authority is to receive public comment on proposed changes to the Authority's Tariff on six topics:

To implement the rate adjustments as determined through the annual budget progress. The resulting rate adjustments will increase the annual aggregate delivery revenues of LIPA by an amount not to exceed two and a half percent and will be effected through a pro rata increase to all Service Classifications.

Second, to modify the Small Generator Interconnection Procedures for Distributed Generators and/or Energy Storage Systems less than ten megawatts connected in parallel with LIPA'S Radial Distribution Systems, to implement changes consistent with the amendments to the statewide New York State Standardized Interconnection Requirements and Application Process for New Distributed Generators and Energy Storage Systems five megawatts or less connected in parallel with Utility Distribution Systems approved by the New York State Public

Consideration  
Postponed

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Service Commission.

Third, to implement changes to the Long Island Choice Program consistent with recent New York State Public Service Commission policy and rules under Case 14-M-0224. This proposal will remove references to data security screens that are no longer necessary since the inception of the new Data Security Agreements, DSA; refine the types of data to be disclosed to a municipality or its designee, reference the most recent rules, and discontinue charges to a CCA for receiving customer data.

Fourth, to increase participation in the Dynamic Load Management program among residential customers who install behind-the-meter battery energy storage systems. This proposal will align the program better with energy-storage system technology, the goals of the CLCPA, and accepted industry practice.

Fifth, to clarify that costs associated with participation in New York State Clean Energy Standard programs will be recovered

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through the Power Supply Charge, and the financial Backstop Costs that would be incurred will be recovered over a 12-month period.

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Sixth, to expand the eligibility requirements for the Low-Income Programs so that LIPA's electric customers have the same eligibility as natural gas customers on Long Island and electric customers throughout the rest of the State, and clarify that the enrollment and renewal period for the low-income program is 14 months.

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This would mean that customers on Long Island receiving low-income discounts from National Grid for their natural gas service would be eligible to also receive low-income discounts from LIPA for their electric service.

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Copies of the tariff proposals are available on the Authority's website [www.lipower.org](http://www.lipower.org) and are incorporated into the record of this hearing.

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The purpose of this hearing is to receive comments from the public, and those

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comments will be relayed directly to the Board of Trustees for their consideration before the next board meeting and will also be provided to the Authority's Staff and PSEG Long Island.

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I will now open the floor to public comments, but There are no members of public in the room and no speakers have signed up.

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So this will conclude this morning's public comment session. Another hearing is being held this evening at 6:00 p.m. in Nassau County at LIPA's offices at 333 Earle Ovington Boulevard in Uniondale.

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The public may also submit comments in writing, which will be accepted through December 3rd. Please email any comments to [tariffchanges@lipower.org](mailto:tariffchanges@lipower.org).

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So it is 10:36. There are no members of the public in the room. So, again, I'm going to close this hearing for now, and we will reconvene this evening at 6:00.

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(Whereupon, at 10:35 a.m., the hearing was concluded.)

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C E R T I F I C A T E

I, VICTORIA MILLER, hereby certify that the Examination of said witness named in the foregoing transcript was held before me at the time and place herein named; that said witness was duly sworn before the commencement of the testimony; that the testimony was taken stenographically by myself and then transcribed under my direction; that the party was represented by counsel as appears herein;

That the within transcript is a true record of the Examination of said witness;

That I am not connected by blood or marriage with any of the parties; that I am not interested directly or indirectly in the outcome of this matter; that I am not in the employ of any of the counsel.

IN WITNESS WHEREOF, I have hereunto set my hand this 27th day of November, 2023.

  
VICTORIA MILLER



December 3, 2023

Re: Tariff modifications concerning CCA Framework Order

I am writing in support of the proposed changes to the Long Island Choice Program concerning Community Choice Aggregation (CCA).

The proposed changes allow for the last seven years of learning on CCA to be applied at the opening of the CCA electricity market in Long Island.

Furthermore, this alignment with New York State Public Service Commission regulations and tariffs of New York's other investment owned utilities, supports the development of a CCA market on Long Island and ensures that Long Island customers have the opportunity to access the rate and clean energy benefits available to New York CCA customers in other parts of the state.

We look forward to seeing these proposed changes take effect in early 2024 as additional municipalities consider CCA electricity supply programs in the new year.

In closing I'd like to thank LIPA staff, LIPA senior management and DPS-LI for recognizing the need for these changes.

Sincerely,

*Lynn Arthur*

Lynn Arthur  
Founder, Peak Power LI  
222 Oceanview Pkwy  
Southampton NY 11968  
[lynn@peakpowerli.com](mailto:lynn@peakpowerli.com)  
631.871.8877

cc: DPS LI Office, Senator Anthony H. Palumbo, Assemblyman Fred W. Thiele, Southampton Town Board





December 2, 2023

***Via Electronic Service***

Board of Trustees  
Long Island Power Authority  
333 Earle Ovington Blvd. 4th Floor  
Uniondale, NY 11553

**Re: NYSEIA and Sunrun Inc. Written Comments on LIPA Proposal  
Concerning Modifications to LIPA’s Tariff for Electric Service**

Members of the Board:

The New York Solar Energy Industries Association (“NYSEIA”) and Sunrun Inc. (“Sunrun”) submit the following comments in response to the Long Island Power Authority’s (“LIPA”) notice for written comments on the LIPA Staff *Proposal Concerning Modifications to LIPA’s Tariff for Electric Service*.<sup>1</sup> These comments focus on tariff modifications to increase participation from residential customers with behind-the-meter battery energy storage systems in the Dynamic Load Management (“DLM”) programs -- the Commercial System Relief Program (“CSR”) and Distribution Load Relief Program (“DLRP”).<sup>2</sup>

**Summary**

The Staff Proposal identifies battery storage as being “increasingly important in DR and DLM programs” and proposes recommendations to increase participation

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<sup>1</sup> LIPA, Proposed Rulemaking *available at* <https://www.lipower.org/about-us/tariff/proposed-rulemaking/> (providing for written comments on proposed tariff modifications by December 3, 2023).

<sup>2</sup> LIPA, Proposal Concerning Modifications to LIPA’s Tariff for Electric Service, *available at* <https://www.lipower.org/wp-content/uploads/2023/09/DLM-Program-Proposal.pdf>.

from residential customers with battery storage. NYSEIA and Sunrun are generally supportive of the proposed modifications; however, additional adjustments to the DLM tariffs are necessary to generate customer interest in acquiring battery storage in the first instance, and ultimately attracting customers to enroll in the programs. Thus, to increase customer interest and participation, enhance program effectiveness, and reduce strain on LIPA's electric system through clean energy solutions, NYSEIA and Sunrun recommend LIPA:

- Adopt the Staff proposal for direct metering at the device to measure performance of energy storage devices during events as a substitute for the current Customer Baseline (“CBL”) methodology.
- Adopt the Staff proposal allowing customers to participate in the DLM program under either the residential rate code or the residential Time-of-Day (“TOD”) rate code and allow stand-alone energy storage systems and systems paired with eligible Net Energy Metering technology to participate.
- Simplify the DLM program payments into a pay-for-performance \$/kW structure.
- Increase the resulting \$/kW pay-for-performance rate.
- Align the compensation structure for locational dispatch and load reduction delivered beyond the four-hour event window with the pay-for-performance \$/kW structure.

## **II. Discussion**

### **A. Direct Metering**

NYSEIA and Sunrun support the Staff Proposal to allow Aggregators the option to directly meter the output of the energy storage system at the storage device to verify performance.<sup>3</sup> Direct metering is the most efficient and accurate method for

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<sup>3</sup> Staff Proposal at 3.

measurement and verification of energy storage systems as it utilizes revenue grade meters incorporated within the battery inverter. Moreover, direct metering offers numerous advantages over the CBL methodology—as discussed in the Staff Proposal—and it aligns the DLM program measurement and verification methodologies with best practices for battery storage programs in other jurisdictions.<sup>4</sup>

The Staff Proposal further provides that:

***Data recorded via direct metering of the energy storage system during each designated Load Relief event will be captured and communicated by the authorized third-party Aggregator and used by PSEG Long Island to evaluate performance and compensation.*** Measurement and communications will be accomplished through API agreements between the vendor and the energy storage system’s Aggregator/original equipment manufacturer (“OEM”). ***Secure data will be transmitted in real-time to the Aggregator directly from the energy storage system inverter.*** Inverter metering will be of utility specifications that will be provided in the DLM Program Guidelines and Operating Procedures.<sup>5</sup>

While it is NYSEIA and Sunrun’s understanding that customer performance will be based on the total discharge of the battery storage system as measured at the device, in the event that LIPA believes this provision is unclear in the tariff proposal, NYSEIA and Sunrun respectfully request clarification that both load reduction and exports from the energy storage system are to be included in performance

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<sup>4</sup> See e.g., Connecticut, Massachusetts and Rhode Island Connected Solutions Programs, Connecticut Energy Storage Solutions Program, California Emergency Load Reduction Program and Demand Side Grid Support Program, Puerto Rico, LUMA Battery Energy Demand Response Program.

<sup>5</sup> Staff Proposal at 4 (emphasis added); see also PSEG Long Island, *Program Guidelines and Operational Procedures For Dynamic Load Management Tariff Programs* at 27 (“PSEG LI Program Guidelines”).

measurement, as measured at the device. This is crucial to encourage customer participation and maximize the grid benefits of the program.

NYSEIA and Sunrun also seek clarification of the DLM Program Guideline and Operating Procedures’ (“Program Guidelines”) provisions for the transmission of secure data. The Program Guidelines provide that third-party Aggregators will enroll residential customers with behind-the-meter energy storage equipment and arrange for metering and communications to measure performance of the individual systems during events and electronically report performance to PSEG Long Island or PSEG Long Island’s third party vendor.<sup>6</sup> The Program Guidelines state further that “PSEG Long Island’s third party vendor’s Mercury DERMs Platform *captures near real-time data from Device Partners* and will make that data available to PSEG Long Island for performance analysis and to verify performance following load events.”<sup>7</sup>

NYSEIA and Sunrun request that “real-time” data refers to the *interval* data as measured at the device at certain increments (e.g., 15-minute intervals), but that the *reporting* of that real-time interval data will occur on a monthly or seasonal basis to verify performance for payment settlement purposes. Monthly, quarterly or seasonal reporting of real-time interval data is the industry standard for battery programs.<sup>8</sup>

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<sup>6</sup> *Id.*

<sup>7</sup> *Id.* (emphasis added).

<sup>8</sup> See e.g., Conn. Pub. Utils Reg. Auth., Docket No. 23-08-05, Annual Energy Storage Solutions Program Review - Year 3, Decision at p. 39 (Nov. 29, 2023) (adopting a monthly *reporting* requirement for 15-minute *interval* data); See MassSave, Program Materials for ConnectedSolutions for Small Scale Batteries *available at* [https://www.masssave.com/-/media/Files/PDFs/Save/Residential/MA-Resi-Battery-Program-Materials---Final--5-4-2023\\_.pdf](https://www.masssave.com/-/media/Files/PDFs/Save/Residential/MA-Resi-Battery-Program-Materials---Final--5-4-2023_.pdf); LUMA, Battery Energy Demand Response Program, Program Terms and

## **B. Eligibility**

NYSEIA and Sunrun support the Staff Proposal clarifying that DLM program participation is open to (1) residential rate code customers and residential TOD rate code customers (who participate through an approved Aggregator), and (2) stand-alone energy storage systems and systems paired with eligible net energy metering (“NEM”) technology.<sup>9</sup>

Providing customer choice in the underlying rate code is a basic tenet of successful grid service programs. The Staff Proposal ensures that residential customers have the option to participate in the DLM programs under either the TOD or the non-TOD rate. This, coupled with stand-alone storage systems and NEM paired system eligibility, widens the pool of eligible customers to help advance the goal of increasing residential customer participation in the programs, and maximizes the program benefits.

## **C. Financial Impacts**

The Staff Proposal estimates DLM program payments to participants with a 5-kW energy storage system of \$135 per year and avoided system costs of \$400 from 5 kW of demand reduction.<sup>10</sup> The Staff Proposal also suggests that customers could realize additional benefits through bill savings from enrolling in the new TOD rate. Staff estimates that a residential customer with a 5-kW storage system participating in a DLM program and the TOD rate have the potential for combined participant

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Conditions (v1.0) (Sept. 7 2023) *available at* <https://lumapr.com/wp-content/uploads/2023/09/Battery-Emergency-DR-Program-Guidelines-V1.0.pdf>.

<sup>9</sup> Staff Proposal at 4.

<sup>10</sup> *Id.* at 5

benefits of \$585 per year; and ratepayer benefits of \$645 per year, resulting in a net benefit to ratepayers of \$60 per participant per year.<sup>11</sup>

While the Staff Proposal includes important changes noted above, the DLM program incentive payment of \$135 per year remains too low to motivate a meaningful increase in participation in the program from residential energy storage customers. NYSEIA and Sunrun also observe that with regard to the potential for customers to realize additional benefits of the TOD rate, not all customers will be able to respond to the TOD rate to realize the savings assumed in the Staff calculations. Experience in other states also demonstrates that customers prefer simple rate design structures over the complexities of time-differentiated rates and will often choose to stay on the standard rate.

To maximize grid benefits and ratepayer savings through demand response programs, the DLM program itself must provide meaningful financial benefits to encourage customer participation. The participant value proposition must also be easy to understand, without the added complexity of having to simultaneously manage their consumption in response to time differentiated rates in order to make up for what are very low DLM program payments, based on Staff estimates. NYSEIA and Sunrun thus recommend LIPA include two additional program modifications to increase program participation:

- (1) Simplify the payment structure by combining the current two-part reservation and performance payment into a single pay-for-performance \$/kW payment to make the program economics more understandable for customers and encourage greater long-term program enrollment; and

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<sup>11</sup> *Id.*

- (2) Increase the combined \$/kW payment from a potential for \$135 per year for a 5-kW system to a level sufficient to attract robust customer participation.

Experience from successful battery storage programs in other markets support these recommendations. For example, the ConnectedSolutions program in Massachusetts provides participants a single pay-for-performance payment of \$275/kW-year for average performance (as measured at the device) during events. Participating batteries are discharged for 2-3 hours per event in 30 to 60 events per year over the course of the summer peak season (June through September).<sup>12</sup> Under the program's pay-for-performance structure, ratepayers only pay for measured, verified performance. A participant with a 5-kW battery could thus earn in a given year up to \$1,375, meaning that a residential customer who enrolls a 5-kW battery in the Massachusetts program can earn a maximum value of over ten times the maximum value that customer could earn from participating in the DLM program. The ConnectedSolutions program delivers net-benefits to ratepayers and in 2022 had 2,903 participant battery resources enrolled for a combined 19.66 MW of program capacity.<sup>13</sup> As part of the most recent evaluation of the Massachusetts ConnectedSolutions program, conducted for the 2019-2021 program cycle, Eversource Energy and National Grid reported cost-benefit ratios for their residential active

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<sup>12</sup> See MassSave, Program Materials for ConnectedSolutions for Small Scale Batteries available at [https://www.masssave.com/-/media/Files/PDFs/Save/Residential/MA-Resi-Battery-Program-Materials---Final--5-4-2023\\_.pdf](https://www.masssave.com/-/media/Files/PDFs/Save/Residential/MA-Resi-Battery-Program-Materials---Final--5-4-2023_.pdf).

<sup>13</sup> MassSave, Energy Efficiency Advisory Council, Active Demand Reduction Update, Updates for 2023 Summer, available at [https://ma-eeac.org/wp-content/uploads/2023-ADR-FEB-EEAC-Mtg\\_Final\\_2-8-23.pdf](https://ma-eeac.org/wp-content/uploads/2023-ADR-FEB-EEAC-Mtg_Final_2-8-23.pdf).

demand management programs<sup>14</sup> of 3.28<sup>15</sup> and 4.89,<sup>16</sup> respectively, utilizing the Total Resource Cost test. The reported cost-benefit ratios demonstrate that the Massachusetts residential active demand reduction programs, including ConnectedSolutions, provide significant net benefits to ratepayers. The simple, easily understandable structure and meaningful financial benefits for performance are key factors contributing to the success of the ConnectedSolutions program.

With regard to the potential savings from enrolling in the recently authorized TOD rate, while some customers may opt to enroll in the TOD rate and participate in the DLM program, many customers are unlikely to do so. Experience in other markets shows that (1) customers prefer simple rate designs over complex time-differentiated rates, and (2) easily understandable grid service program incentive structures have the greatest potential to encourage customer acceptance of utility demand response (“DR”) programs.<sup>17</sup> Eversource Energy, which implements battery programs in multiple states in New England -- including the successful ConnectedSolutions programs in Massachusetts, Connecticut, and New Hampshire -- concludes that DR

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<sup>14</sup> The Massachusetts’ utilities residential active demand reduction portfolios consist of various direct load control offerings, including smart thermostats and the battery response programs.

<sup>15</sup> MA DPU. Docket No. 22-119. Eversource Energy 2019-2021 Energy Efficiency Term Report (corrected), p. 12. April 18, 2023. Available at: <https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/17550247>

<sup>16</sup> MA DPU. Docket No. 22-118. National Grid 2019-2021 Energy Efficiency Term Report. August 1, 2022, p. 19. Available at: <https://fileservice.eea.comacloud.net/FileService.Api/file/FileRoom/15326448>.

<sup>17</sup> New Hampshire Pub. Utils. Comm’n, Docket No. IR 22-076, Comments of Public Service Company of New Hampshire d/b/a Eversource Energy at 2 (Oct. 30, 2023) *available at* [https://www.puc.nh.gov/regulatory/Docketbk/2022/22-076/LETTERS-MEMOS-TARIFFS/22-076\\_2023-10-30\\_EVERSOURCE\\_COMMENTS-COMMISSION-STAFF-REPORT.PDF](https://www.puc.nh.gov/regulatory/Docketbk/2022/22-076/LETTERS-MEMOS-TARIFFS/22-076_2023-10-30_EVERSOURCE_COMMENTS-COMMISSION-STAFF-REPORT.PDF).



programs “will be most effective if they employ a reasonable combination of upfront and pay-for-performance incentives for customer participation, rather than being based on novel and complex time-of-use (“TOU”) rate designs.”<sup>18</sup>

Eversource’s observations are particularly relevant considering LIPA’s goal of increasing program participation among residential energy storage customers. As discussed above, NYSEIA and Sunrun support the Staff proposal to allow customers the option to participate in the TOD rate and the DLM program; however, it is not reasonable to assume that (1) significant numbers of residential customers with battery storage will enroll in the TOD rate; or (2) that TOD customers will be able to capture all of the estimated TOD benefits consistently, nor that they will view the TOD rate and the DLM program as a combined or “stackable” value proposition.

The TOD rate is a new offering with no history of customer experience to inform the customer decision making process. Moreover, the DLM program and the TOD rate both require relatively complex financial analyses to discern potential benefits as well as strict adherence to energy management strategies for the customer to both understand and actually realize the potential benefits. Finally, the maximum combined potential for the *combined* DLM program payments and bill saving benefits from TOD participation are too low to encourage a meaningful increase in DLM program participation.

Accordingly, we urge LIPA to adopt the additional modifications recommended herein to (1) simplify the two-part reservation (\$/kW) and performance (\$/kWh)

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<sup>18</sup> *Id.* at 3-4.

payment structure by combining these into a single performance based \$/kW payment structure, (2) increase the resulting performance based \$/kW payment to attract customer participation and decouple the DLM program value proposition from potential benefits of TOD rate savings, and (3) simplify the \$/kW and \$/kWh payment structures for the locational dispatch and load reduction beyond the four-hour event window by aligning it with the performance-based \$/kW structure.

### **III. Conclusion**

NYSEIA and Sunrun appreciate the opportunity to provide these comments for LIPA's consideration and respectfully urges LIPA to adopt the recommendations provided herein. We look forward to continued collaboration to advance LIPA's goals of increasing customer participation in the DLM programs to deliver important grid and ratepayer benefits.

Respectfully submitted,

/s/ Jonathan Cohen

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/s/ Bartlett Jackson

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