



# June 2026 Tariff Changes

---

**Presented by:** William Wai, *Director of Rates*

June 24, 2026



# Proposed Tariff Changes

## 1. Small Generator Interconnection Procedures (“SGIP”) Update

- Align LIPA interconnection procedures with the Statewide Standardized Interconnection Requirements
- Allow for accommodations of tax-credit eligible projects
- Introduce a pilot program to assist certain governmental customers with the Supervisory Control and Data Acquisition (“SCADA”) interconnection process

## 2. Updates to LIPA Uniform Business Practices (Electric Energy Service Company & Distributed Energy Resource Supplier)

- Update to align with the State practices after a new Public Service Law was enacted that required energy brokers and energy consultants to register with New York State Public Service Commission.
- Update to reflect the recent amendments made to New York General Business Law regarding enhanced customer protection and transparency requirements for Electric Energy Service Companies

## 3. LIPA Public Policy Transmission Need (“PPTN”) Formula Rate

- Adopt the Formula Rate Methodology and implementation Protocols to calculate an annual revenue requirement for Transmission Network Upgrades Constructed/Owned by LIPA as a PPTN Designated Entity.
- LIPA’s implementation Protocols and formula rate template are consistent with Commission Orders and with current practices by other developers for comparable projects.

# Timeline

- ✓ **April 1, 2026** : Proposals published for public comment
- ✓ **June 1, 2026**: Public comment sessions
- ✓ **June 6, 2026**: Last day for written public comments
  - ✓ Public Comments from NYSEIA that supports LIPA's proposed changes to SGIP and suggests modifications to the Pilot program
  - ✓ LIPA will consider NYSEIA's suggestions in carrying out the Pilot
- ✓ **June 16, 2026**: DPS recommendations on LIPA's Proposal
  - ✓ DPS Staff supports proposed modifications to the Tariff and recommends adoption of the proposals.
  - ✓ DPS also provides further recommendations regarding implementing the SGIP updates and LIPA PPTN formula rate
  - ✓ LIPA agrees with DPS Staff's recommendation
- ☐ **June 24, 2026**: LIPA Board consideration



Thank You

**William Wai**  
Director of Rates

---

*[lipower.org](http://lipower.org)*



## **FOR CONSIDERATION**

June 24, 2026

**TO:** The Board of Trustees  
**FROM:** Carrie Meek Gallagher  
**SUBJECT:** Approval of Tariff Changes

---

### **Requested Action**

The Trustees are requested to approve the following proposals to modify the Long Island Power Authority's ("LIPA" or the "Authority") Tariff for Electric Service:

- 1. Small Generator Interconnection Procedures (“SGIP”) Updates:** Modifying LIPA's SGIP to align with the State’s recently updated Standardized Interconnection Requirements and Application Process for New Distributed Generators and/or Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems (“Statewide SIR”)<sup>1</sup>, allowing changes to interconnection timelines to accommodate tax-credit eligible projects<sup>2</sup>, and introducing a pilot program to assist certain customers<sup>3</sup> with the Supervisory Control and Data Acquisition (“SCADA”) interconnection process.
- 2. Uniform Business Practices (“UBP”) Updates:** Modifying the UBP for Electric Energy Service Companies (“UBP-LI-ESCO”) and the UBP for Distributed Energy Resource Suppliers within the LIPA Service Territory ("UBP-DERS-LIPA") consistent with the New York State Public Service Commission’s (“PSC or Commission”) UBP (“PSC UBP”) and UBP for Distributed Energy Resource Suppliers (“PSC UBP-DERS”).
- 3. LIPA Public Policy Transmission Need (“PPTN”) Formula Rate:** Adopting the LIPA PPTN Formula Rate Methodology and Implementing Protocols to calculate an annual revenue requirement for the recovery of costs associated with transmission facilities and network upgrades constructed, owned and operated by LIPA pursuant to its role as a Designated Entity under the Public Policy Transmission Project planning process.

---

<sup>1</sup> The Statewide SIR is available on the webpage of the New York State Department of Public Service at:

<sup>2</sup> LIPA Staff notes that LIPA is not subject to the Statewide SIR. Rather, LIPA has adopted its own interconnection procedures as set forth in SGIP which are an addendum to, and part of, the Tariff.

<sup>3</sup> Eligible customers are Governmental Agencies including federal, state, local (cities, counties, towns, villages) and educational customers (libraries and schools).

## SGIP Updates

### Background

On June 23, 2025, the Commission issued an Order adopting modifications to the Statewide SIR (the “June 2025 Order”).<sup>4</sup> These changes were proposed by stakeholders to make the interconnection process more efficient and to better align with current market and technology needs. The June 2025 Order approved targeted revisions to certain appendices of the Statewide SIR, including:

- Extended Payment Timing (Appendix E):
  - Additional time allotted for collection of non-refundable cost-sharing deposits that are due from interconnection applicants.
  - Shifted timeline for paying shared upgrade costs to align with the deadline for the non-shared costs providing developers the flexibility to secure payments for required system upgrades before making large upfront payments.
- Improved Technical Screening (Appendix G):
  - Refinement of the supplemental screening criteria for certain smaller projects permitting utilities to perform detailed engineering assessments that could eliminate the need for full Coordinated Electric System Interconnection Reviews (“CESIRs”) where appropriate.
- Energy Storage Scheduling (Appendix K):
  - Additional rules added for developers to provide scheduled charge/discharge profiles for energy storage systems that will help integrate storage more efficiently and reduce potentially unnecessary distribution upgrades.

Additionally, on January 23, 2026, the Commission issued the Order on Interconnection Queue Management (“January 2026 Order”)<sup>5</sup> further modifying the Statewide SIR, on a temporary basis, to manage interconnection queues for distributed energy resources (“DERs”) in light of recent federal tax credit deadlines<sup>6</sup> and other market pressures. The January 2026 Order looks to maximize the number of distributed clean energy and storage projects in the interconnection queue that can meet federal tax credit deadlines and speed progress toward New York’s energy and climate goals, while providing a clearer and more predictable process for developers. The January 2026 Order’s queue management framework includes:

- Interconnection Queue Prioritization Based on Tax Credit Eligibility
  - Directs utilities to prioritize projects in the interconnection queue that are eligible for federal tax credits.
  - Require Projects to demonstrate that they have begun construction and are projected to achieve in-service dates consistent with Internal Revenue Service (“IRS”) tax credit deadlines to qualify for priority treatment.

---

<sup>4</sup> Case 24-E-0621, *Order Modifying Standardized Interconnection Requirements*, Issued and Effective June 23, 2025.

<sup>5</sup> Case 24-E-0621, *Order on Interconnection Queue Management*, Issued and Effective January 23, 2026.

<sup>6</sup> IRS Notice 2025-42

- Classification of Projects for Queue Management
  - Organizes Projects into categories:
    - Group A – Projects that do not require Qualifying Upgrades (certain upgrades subject to cost sharing rules) and that have begun construction and plan to be in service by the relevant federal tax credit deadline can be moved up in the interconnection queue processing.
  - This structure is intended to help utilities manage their workload by advancing projects that both support State clean energy goals and leverage available federal funding.
- Requirements for Documentation and Timing
  - Developers seeking priority must submit documentation to the utility within a specified time such as:
    - Evidence of construction commencement;
    - Expected placed-in-service dates;
    - Information required by the IRS for tax credit guidance.
  - Utilities will use this information in determining the priority position of projects in the interconnection studies and planning phase.

Existing Challenges with SCADA:

Certain governmental customers<sup>7</sup> are facing challenges with the Authority’s SGIP SCADA requirements. As part of the interconnection process, certain DER projects are required to install SCADA telecommunication equipment for real-time monitoring and control by the Authority, ensuring grid safety and reliability.<sup>8</sup> Through SCADA, the Authority can see generator output, check voltage and breaker status, receive alarms, and send commands (e.g., trip, curtail, change settings). Given the increasing volume of DERs in the Authority’s service area, supervision and coordination are of utmost importance.

SCADA services are provided by Verizon, and currently customers and developers are required to work directly with Verizon to install the SCADA communication connection as part of the interconnection process. The SCADA interconnection process is complex; therefore, many customers take advantage of Verizon’s Partner Program. The Verizon Partner Program offers SCADA interconnection support through a third-party contractor. However, government entity customers cannot participate in the Verizon Partner Program because they already receive a discount benefit through the Verizon National Program. This limitation imposed on government entity customers makes the SCADA interconnection process more tedious and complex for government customers, resulting in longer interconnection timelines.

**Proposed Action**

Staff proposes the following modifications to the SGIP to align with the Statewide SIR:

- 1- **Extend Payment Timing (Exhibit E)** - Changes to cost sharing provisions with 100% due at 120 days, instead of 90 days, to align with the June 2025 Order..

---

<sup>7</sup> Including federal, state, local (cities, counties, towns, villages) and educational customers (libraries and schools).

<sup>8</sup> See SGIP Appendix M, Article 8 – Inspection and Access Rights (Section 8.5)

- 2- **Energy Storage Scheduling (Exhibit K)** - Changes to energy storage scheduling adding charging/discharging time frames to align with the June 2025 Order.
- 3- **Interconnection Queue Management** Changes interconnection timelines to accommodate tax-credit eligible projects to align with the January 2026 Order.
- 4- **Implementation of Pilot Program (Appendix A1)**– to assist certain governmental customers with the SCADA interconnection process. This pilot program will offer PSEG Long Island resources<sup>9</sup> including project management, customer service, and Verizon bill processing to assist those government entity customers that are unable to receive such SCADA services through the Verizon SCADA interconnection process. The SGIP will be amended to add Appendix A1 which will be utilized for government entities only.

### **Financial Impact**

There are no material financial impacts to align with these Commission Orders.

### **Stakeholder Comments and DPS Recommendations**

Two public comment sessions were held on LIPA's tariff proposals, and written comments were also solicited from interested stakeholders. LIPA received public comments from the New York Solar Energy Industries Association (“NYSEIA”).

NYSEIA strongly supports LIPA’s proposed modifications to the SGIP and recommends that any requirements related to demonstrating eligibility for tax credit prioritization be applied with appropriate flexibility.

Additionally, NYSEIA supports the proposed pilot program and recommends clarification that LIPA will transition to a utility-managed model that applies to all SCADA-related equipment and systems at the project site and to consider using an upfront billing structure to recover those costs associated with the implementation of the SCADA pilot.

The New York State Department of Public Service (“DPS”) Staff supports the proposed tariff modifications and recommends that the Board of Trustees adopt the proposal. DPS Staff agrees with LIPA’s proposal that include changes aligning with the statewide approach under the Commission’s June 2025 and January 2026 Orders and notes that a plan is in place for further revisions to implement the full queue management structure introduced in the 2026 Order. DPS Staff further believes that LIPA’s proposed SCADA pilot program will help accelerate DER deployment on Long Island and support the progress toward the State’s clean energy goals. Lastly, DPS Staff encourages NYSEIA’s continued participation in the Statewide technical and policy interconnection working groups.

---

<sup>9</sup> Pursuant to the 2<sup>nd</sup> Amended and Restated Operations Services Agreement, PSEG Long Island is the service provider to LIPA.

## **LIPA Staff's Response**

LIPA Staff appreciates NYSEIA's supporting comments and agrees with DPS Staff's recommendations. LIPA looks forward to working with NYSEIA in shaping its SCADA pilot program.

## **UBP Update**

### **Background**

#### *Establishment of Uniform Business Practices and Uniform Business Practices for Distributed Energy Resource Suppliers*

In 1999, the Commission issued the UBP which established standardized retail access business rules and procedures for the regulated electric and gas utilities, including the rules and practices governing ESCOs' interactions with customers and utilities.<sup>10</sup> As the competitive retail energy market has evolved in New York, the Commission has revised the UBP to reflect changes in the market.<sup>11</sup> In 2017, the Commission issued the PSC UBP-DERS to "govern the integration of [distributed energy resources ("DERs")] into New York's electric system, as well as the rights and responsibilities of DER suppliers."<sup>12</sup>

In December 2018, the LIPA Board of Trustees adopted as an addendum to the LIPA Tariff the UBP-DERS-LIPA which is largely consistent with the Commission's PSC UBP-DERS and in December 2021, the LIPA Board of Trustees adopted as an addendum to the Tariff the UBP-LI-ESCO which is largely consistent with the Commission's PSC UBP.

#### *Energy Brokers and Energy Consultants*

In 2022, Public Service Law ("PSL") §66-t was enacted requiring energy brokers and energy consultants ("EB&Cs") to register with the Commission to ensure transparency and accountability in a formerly unregulated marketplace.<sup>13</sup> PSL §66-t requires EB&Cs to disclose to customers their form and amount of compensation and prohibits them from offering rebates to the energy ratepayer and its agent as an inducement for enrollment in energy-related products or business.<sup>14</sup> The statute also requires EB&Cs to demonstrate financial accountability "by a bond or other method of financial accountability."<sup>15</sup>

---

<sup>10</sup> Case 98-M-1343, In the Matter of Retail Access Business Rules.

<sup>11</sup> Because LIPA is not regulated by the Commission, it is not subject either the PSC UBP or the PSC UBP-DERS.

<sup>12</sup> *Case 15-M-0180 – In the Matter of Regulation and Oversight of Distributed Energy Resource Providers and Products*, Order Establishing Oversight Framework and Uniform Business Practices for Distributed Energy Resource Suppliers (Oct. 19, 2017).

<sup>13</sup> See N.Y. Pub. Serv. Law §66-t. The PSL defines: 1) an "energy broker" as "an entity that assumes the contractual and legal responsibility for the sale of electric supply service, transmission or other services to end-use retail customers, but does not take title to any of the electricity sold, or an entity that assumes the contractual and legal obligation to provide for the sale of natural gas supply service, transportation or other services to end-use retail customers, but does not take title to any of the natural gas sold;" and 2) an "energy consultant" as "any person, firm, association or corporation who acts as broker in soliciting, negotiating or advising any electric or natural gas contract, or acts as an agent in accepting any electric or natural gas contract on behalf of an ESCO." *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> N.Y. Pub. Serv. Law §66-t(3).

On June 23, 2023, the Commission issued an order adopting the requirements of PSL §66-t through amendments to the PSC UBP and PSC UBP-DERS (the “June 2023 Order”).<sup>16</sup> The June 2023 Order: 1) identifies the entities that are covered under the statutory definitions of “energy broker” and “energy consultant” and are subject to the statute’s new registration, annual fee requirements, and enforcement provisions; 2) establishes a registration process; and 3) addresses issues related to compensation disclosure, the timing of registration, the use of customer data, the method of financial accountability, ESCO and DER supplier responsibilities, and other related matters.

On November 13, 2025, the Commission issued an order adopting further modifications to the Uniform Business Practices (“the November 2025 Order”) that enhanced consumer protections and transparency requirements for ESCOs.

On January 28, 2026, the Commission issued an order further amending the PSC UBP and PSC UBP-DERS requiring registered EB&Cs to demonstrate financial accountability by posting a surety bond or providing a letter of credit (“January 2026 Order”).<sup>17</sup>

#### *Amendment to the New York State General Business Law*

In 2023, New York State General Business Law (“GBL”) §349-d (6) and (7) were amended to: 1) require ESCOs to provide more detailed notice regarding changes to, and renewals of, ESCO contracts with customers; and 2) list the new disclosures that ESCO’s must include in customer contract renewal notices. On November 13, 2025, the Commission issued an order modifying the PSC UBP and PSC UBP-DERS to reflect these changes,<sup>18</sup> including additional details on what is defined as a “material change” to an ESCO contract, and the required disclosures needed in ESCO contract renewal notices.

#### **Proposed Action**

LIPA Staff proposes to amend the UBP-LI-ESCO and the UBP-DERS-LIPA to align with the updates to the PSC UBP and PSC UBP-DERS ordered by the Commission in the June 2023, November 2025 and January 2026 Orders. Specifically, LIPA Staff proposes to:

- 1- Establish Energy Broker and Energy Consultant registration requirements for operation in the LIPA service territory in alignment with the June 2023 and January 2026 Orders including:
  - a. Submittal of a form and payment of a fee;
  - b. Demonstration of financial security;
  - c. Disclosure that the ESCO’s do not represent the Authority;
  - d. Requirement that ESCO’s only accept enrollments and payments from brokers and consultants that are registered; and

---

<sup>16</sup> *Cases 23-M-0106 et al. - In the Matter of Commission Registration of Energy Brokers and Energy Consultants Pursuant to Public Service Law Section 66-t*, Order Adopting Energy Broker and Energy Consultant Registration Requirements (June 23, 2023) (“June 2023 Order”).

<sup>17</sup> *Cases 23-M-0106 et al.*, Order Adopting Energy Broker and Consultant Financial Assurance Requirements (Jan. 28, 2026) (“January 2026 Order”).

<sup>18</sup> *Case 98-M-1343*, Order Adopting Modifications to the Uniform Business Practices (Nov. 13, 2025) (“November 2025 Order”).

- e. Requirement that EB&Cs include plain-language information on its products and services and providing emergency utility contact information to customers that request it.
- 2- Implement enhanced consumer protections and transparency requirements for ESCOs in alignment with the November 2025 Order:
- a. Stronger price transparency and material change rules requiring express customer consent before an ESCO can make any material change to contract terms; and
  - b. Revised Contract Renewal Notification requiring ESCOs to provide detailed contract renewal notices to customers.

### **Financial Impact**

There are no material financial impacts to the Authority or customers.

### **Stakeholder Comments and DPS Recommendations**

Two public comment sessions were held on LIPA's tariff proposals, and written comments were also solicited from interested stakeholders. LIPA did not receive public comments directly pertaining to the proposed tariff changes.

DPS Staff supports the proposed modifications that align with the Commission Orders and recommends that the Board of Trustees adopt the modifications as proposed.

### **LIPA PPTN Formula Rate**

#### **Background**

LIPA voluntarily participates in the Public Policy Transmission Planning Process that is administered by the New York Independent System Operator (“NYISO”). This planning process involves the assessment of needs for potential transmission solutions within the New York State bulk power transmission system driven by public policy requirements, as identified by the New York State Public Service Commission (“NYS PSC”). LIPA provides recommendations to the NYS PSC to address potential public policy requirements that drive transmission needs within the Long Island Transmission District.

Upon a NYS PSC determination that there are public policy requirements driving an identified need for transmission solutions within the NYS bulk power transmission, the NYISO conducts a solicitation of proposals and selects the most efficient or cost-effective transmission solution(s). The selected solution, is referred to as the “Public Policy Transmission Project.” The NYISO also identifies “Designated Entities” that are responsible for constructing, owning, and operating those transmission facilities and associated network upgrades that are necessary to implement the Public Policy Transmission Project. A Designated Entity can include the selected developer, an entity partnering with the selected developer or an interconnecting transmission owner that owns the facilities that are to be replaced, or upgraded, as part of the Public Policy Transmission Project.

In June 2023, the NYISO selected the Propel Project as the transmission solution addressing the public policy transmission needs within the Long Island Transmission District that were identified by the NYS PSC.<sup>19</sup> The NYISO then classified LIPA as a Designated Entity to construct and operate the transmission facilities and network upgrades that the NYISO determined were necessary to implement the Propel Project. As a Designate Entity, LIPA initiated the planning, design and procurement of equipment associated with those project elements and network upgrades identified by the NYISO.

LIPA now proposes to adopt the LIPA PPTN Formula Rate and Implementing Protocols for the accounting of costs incurred in the construction and operation of the transmission facilities and network upgrades identified by the NYISO located within the Long Island Transmission District and for the calculation of an annual revenue requirement.

### **Proposed Action**

LIPA Staff proposes the adoption of the LIPA PPTN Formula Rate and Implementing Protocols to facilitate cost recovery of those costs incurred by LIPA in constructing and operating the transmission facilities and network upgrades pursuant to its role as a Designated Entity under the Public Policy Transmission Project planning process. The formula rate template will account for the costs incurred by LIPA and will determine LIPA's annual transmission revenue requirement ("ATRR") for the period between July 1 to June 30 ("Rate Year"). LIPA will use the prior calendar year's historical cost of service as a projection for the Rate Year revenue requirement. A true-up adjustment will be made during the subsequent Rate Year to address any differences identified between the transmission revenues received and the actual costs incurred during that calendar year which will be reflected as an adjustment including interest. The use of historical cost of services as a proxy projection with a true-up adjustment for actual costs adheres to established cost-of-service principles for electric utilities.

Inputs to the LIPA PPTN Formula Rate are sourced from audited financial reports and accounting records maintained by LIPA in a manner equivalent to FERC Form No. 1 requirements and procedures. Further, the LIPA PPTN Formula Rate includes a return on equity of 9.75% as well as a deemed capital structure of 51% Equity and 49% Long-term Debt.

The LIPA PPTN Formula Rate includes the following elements:

---

<sup>19</sup> NYISO, *Long Island Offshore Wind Expert Public Policy Transmission Plan: A Report from the New York Independent System Operator*, Appendix P (June 13, 2023), <https://www.nyiso.com/documents/20142/38391083/Long-Island-Offshore-Wind-Export-Public-Policy-Transmission-Planning-Appendices-2023-6-13.pdf/34c9a7dc-b6a5-b281-abed-ea09fcdf72b4>.



# Long Island Power Authority

Line Item	Item Description	Source
1	A) Net Electric Plant in Service	
2	Net Transmission Plant	
3	Net General Plant	
4	B) Rate Base Adjustments	
5	* Cash Working Capital	
6	* Materials & Supplies	
7	* Prepayments	
8	* Land Held for Future Use	
9	* CWIP	
10	* Abandoned Plant	
11	* Regulatory Asset	
12	<b>TOTAL (sum lines 2-11)</b>	



## Long Island Power Authority

Line Item	Item Description	Source
1	Operation & Maintenance Expense	O&M Expense (FERC Accounts 560-573)
2	Administration & General Expenses	A&G Expense (FERC Accounts 920-935)
3	Depreciation & Amortization Expense	Depreciation Expense (Project Specific Depreciation + Depreciation for FERC Accounts 390-399)
4	<b>TOTAL OPERATING EXPENSE</b>	O&M + A&G + Depreciation Expense
5	<b><u>RATE BASE</u></b>	Rate Base
6	Return on Rate Base	Rate Base * Rate of Return
6a	Total Project Specific Return Adjustment	Project Specific Adjustment
7	<b>TOTAL REVENUE REQUIREMENT</b>	Operating Expense + Return on Rate Base + Project Specific Return Adjustments
8	Incentive Return	Project Specific Incentive Return
9	True-up Adjustment	True Up
10	Taxes (PILOT)	Taxes
11	<b>NET ADJUSTED REVENUE REQUIREMENT</b>	(sum lines 7-10)

The Implementing Protocols incorporate a public input process that includes notice of the applicable ATRR, a public information request window, a challenge period and dispute resolution procedures. Specifically, LIPA will hold a remotely accessible stakeholder meeting for interested parties between 20 and 40 days following the posting of the ATRR for the applicable Rate Year.

Interested parties will have 120 days to submit information requests. Disputes regarding information requests will be reviewed and acted upon by LIPA's Chief Executive Officer.

Written challenge regarding the data and inputs used in the calculation of the ATRR as well as LIPA's compliance with the Formula Rate and implementing protocols may be filed by interested parties. A formal Board review request will be considered. Formal Board review of a challenge will include submission of written briefs and other supporting evidence to the Hearing Officer, LIPA's Chief Financial Officer. Upon review and consideration of the record, the Hearing Officer will issue a report and recommendation to the LIPA Board. The Board must then make a final determination and recommendation. Any required ATRR adjustments resulting from the public review process will be reflected, with interest, in the following year's true-up adjustment.

### **Financial Impact**

The cost recovery of the costs incurred by LIPA as a Designated Entity under the Public Policy Transmission Project Planning Process for the Propel Project is subject to statewide cost allocation on a load ratio share basis. The current load ratio share allocation for LIPA, as a load-serving entity, is approximately 12.5%.

### **Stakeholder Comments and DPS Recommendations**

Two public comment sessions were held on LIPA's tariff proposals, and written comments were also solicited from interested stakeholders. LIPA did not receive public comments directly pertaining to the proposed tariff changes to the proposed tariff changes.

DPS Staff has reviewed LIPA's Implementing Protocols for its annual update process and agrees that these Protocols will ensure the accuracy of the annual update because it will occur after the annual release of their audited financials. DPS Staff recommends that LIPA coordinate with DPS Staff in the months leading up to the publication of the annual update and confer. By April 1 of each year, LIPA should confer with DPS Staff regarding the updated costs being utilized as inputs to the Formula Rate for the annual update and any other changes being made, including accounting changes or changes resulting from the challenge process. This coordinated review will bolster the integrity of the annual update process, benefiting all parties

Based on DPS Staff's review, LIPA's implementation Protocols and formula rate template are consistent with Commission Orders and with current practices undertaken by other developers for comparable projects. LIPA's proposed formula rate template is correctly structured to calculate the ATRR. While LIPA is currently proposing to recover costs associated with the costs incurred in association with the Propel NY project, the NYISO tariff allows the RTFC to apply to other PPTN projects in the future. DPS recommends that LIPA coordinate with DPS prior to expanding the scope of the RTFC to recover costs for projects other than Propel NY.

DPS Staff recommends that the Board approve the proposal in accordance with the recommendations.

## **LIPA Staff's Response**

LIPA Staff appreciates the support from the DPS and agrees with the recommendations the DPS staff provides.

## **Public Comments**

Written comments regarding LIPA's tariff proposals were solicited from interested stakeholders until June 6, 2026. LIPA held two public comment sessions on June 1, 2026, (i) a morning session for customers of Suffolk County and (ii) an evening session for customers of Nassau County. 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**

- Exhibit A-1** Resolution Approving Tariff Modifications related to Small Generator Interconnection Procedures (“SGIP”) Updates
- Exhibit A-2** Resolution Approving Tariff Modifications related to Uniform Business Practices (“UBP”) Updates
- Exhibit A-3** Resolution Approving Tariff Modifications related to Public Policy Transmission Need (“PPTN”) Formula Rate
- Exhibit B-1** Small Generator Interconnection Procedures (“SGIP”) Updates- Tariff Redline
- Exhibit B-2** Uniform Business Practices (“UBP”) Updates - Tariff Redline
- Exhibit B-3-1** LIPA Public Policy Transmission Need (“PPTN”) Formula Rate Template
- Exhibit B-3-2** LIPA Public Policy Transmission Need (“PPTN”) Formula Rate Protocols
- Exhibit C** DPS Letter of Recommendation on Tariff Changes
- Exhibit D-1** Public Comment Session Transcripts AM Session – June 01, 2026
- Exhibit D-2** Public Comment Session Transcripts PM and Virtual Session – June 01, 2026
- Exhibit** Compendium of Written Public Comments

**APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO SMALL GENERATOR INTERCONNECTION PROCEDURES ("SGIP") UPDATES**

---

**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 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 April 1, 2026, public hearings were held on June 1, 2026, in Suffolk County and in Nassau County, 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 July 1, 2026; and be it further

**RESOLVED**, that the Chief Executive Officer and 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: June 24, 2026

**APPROVAL OF MODIFICATIONS TO LIPA'S TARIFF RELATED TO LIPA UNIFORM BUSINESS PRACTICES ("UBP") UPDATES**

---

**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 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 April 1, 2026, public hearings were held on June 1, 2026, in Suffolk County and in Nassau County, 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 July 1, 2026; and be it further

**RESOLVED**, that the Chief Executive Officer and 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: June 24, 2026

**APPROVAL OF THE ADOPTION OF A FORMULA RATE FOR COST RECOVERY OF UPGRADES ASSOCIATED WITH PUBLIC POLICY TRANSMISSION NEED PROJECTS**

---

**WHEREAS**, the Long Island Power Authority (“LIPA”) participates as a non-jurisdictional utility in the New York Independent System Operator (“NYISO”) upon the condition that, pursuant to Sections 1020-f(u) and 1020-s of the Public Authorities Law, the LIPA Board of Trustees retains its authority to fix rates and charges for the construction and operation of the LIPA transmission system at the lowest level consistent with sound fiscal and operating practices and which provide for safe and adequate service;

**WHEREAS**, LIPA voluntarily participates in NYISO’s Public Policy Transmission Planning Process which encompasses the need assessments, proposal, selection, implementation, and cost recovery for transmission facilities and network upgrades necessary to implement an identified Public Policy Transmission Need;

**WHEREAS**, as a participant in the Public Policy Transmission Planning Process and owner and operator of the LIPA system, there will be instances where LIPA is identified as a Designated Entity and responsible for the construction, ownership and operation of transmission facilities and network upgrades implementing a selected Public Policy Transmission Needs (“PPTN”) Project;

**WHEREAS**, LIPA has been identified as a Designated Entity with responsibility to construct, own and operate certain transmission facilities and network upgrades implementing the Long Island Offshore PPTN Project announced by NYISO in June 2023 and has initiated development and construction of such facilities and upgrades;

**WHEREAS**, LIPA staff have developed and published for notice and comment a LIPA PPTN Formula Rate Methodology and Implementing Protocols for the calculation of LIPA’s costs associated with a selected PPTN project (the “Proposal”);

**WHEREAS**, the proposed LIPA PPTN Formula Rate template includes set inputs for the use of a return on equity and deemed capital structure while also providing for the tracking and recovery of construction work in progress (“CWIP”) and prudently incurred costs for PPTN-related transmission facilities or network upgrades which have been cancelled or abandoned due to reasons beyond LIPA’s control (“Abandoned Plant”);

**WHEREAS**, Staff recommends the adoption of the LIPA PPTN Formula Rate Methodology and Implementing Protocols;

**WHEREAS**, Staff also recommends that the Trustees authorize the use of a 9.75% return on equity and deemed capital structure of 51% equity and 49% long-term debt as inputs to the Formula Rate calculation;

**WHEREAS**, Staff recommends that the Trustees authorize the inclusion of 100% of CWIP in rate base during the development and construction phase of the transmission facilities and network upgrades for which LIPA has been named the Designated Entity (“CWIP Cost Recovery”) and the recovery of 100% of prudently incurred costs resulting from an abandonment or cancellation of such transmission facilities or network upgrades, where such abandonment or cancellation is due to reasons beyond LIPA’s control (“Abandoned Plant Cost Recovery”);

**WHEREAS**, for the Long Island Offshore PPTN Project, there is a statewide cost allocation of all incurred costs on a load ratio share basis, which shall apply to cost recovery of LIPA’s annual transmission revenue requirement, as calculated pursuant to the LIPA PPTN Formula Rate Methodology and Implementing Protocols;

**WHEREAS**, the approval by the Trustees of the LIPA PPTN Formula Rate Methodology and Implementing Protocols will establish the rate development process and source of data inputs used to derive the annual transmission revenue requirement for LIPA’s construction, ownership, and operation of transmission facilities and network upgrades for which it has been identified as the Designated Entity as part of a PPTN Project such that the Trustees would not be required to provide annual approval of the specific values calculated under the formula, but would afford for executive oversight of the implementation of the Formula Rate and coordination with the NYISO on cost recovery of LIPA’s annual transmission revenue requirement for PPTN Projects;

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

**WHEREAS**, notice of the Proposal was published in the State Register on April 1, 2026; public hearings were held on June 1, 2026, in Suffolk County and in Nassau County, 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**, for the reasons given herein and in the accompanying Memorandum:(1) the Proposal is hereby approved, including: the adoption and implementation of the PPTN Formula Rate Methodology and Implementing Protocols, use of a 9.75% return on equity; application of a deemed capital structure of 51% equity and 49% long-term debt; and authorization of 100% CWIP Cost Recovery and Abandoned Plant Cost Recovery; (2) the use of a statewide load ratio share cost allocation basis in the recovery of LIPA-incurred costs, as a Designated Entity, for the Long Island Offshore PPTN Project is hereby confirmed; and (3) Staff are hereby directed to undertake such actions as are necessary to implement the use of the LIPA PPTN Formula Rate to calculate LIPA’s annual transmission revenue requirement for PPTN Projects for which it is the Designated Entity.



**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**

Revised ~~January 1, 2025~~ July 1, 2026

**TABLE OF CONTENTS**

**Section I. Application Process..... 1**

    Section I.A. Introduction ..... 1

    Section I.B. Application Process Steps for Systems 50 kW or Less (Expedited/Fast Track Process) ..... 3

    Section I.C. Application Process Steps for Systems above 50 kW up to 5 MW..... 6

    Section I. D. Payment and Construction Milestones ..... 12

    Section I. E. Application Process for Energy Storage Systems ..... 13

    Section I. G. Application Process (Study Process) Steps for Systems above 5 MW and less than 10 MW  
 ..... 16

    Section I. H. Web-Based Standard Interconnection Application and Information (If available)..... 21

    Section I. J. Modifications ..... 21

**Section II. Interconnection Requirements..... 23**

    Section II.A. Provisions that Apply to All Interconnection Requests ..... 23

    Section II.B. Design Requirements..... 28

**Section III. Glossary of Terms..... 29**

**Appendix A- Standardized Interconnection Contract For Systems 5MW Or Less ..... 37**

**Appendix A1 - For Use with Governmental Agencies - Standardized Interconnection  
 Contract For Systems 5MW Or Less..... 48**

**Appendix B - Standardized Application For Inverter Based Systems ..... 58**

**Appendix C - Standardized Application For Non-Inverter Based Systems..... 61**

**Appendix D -Pre-Application Report..... 64**

**Appendix E - Cost Sharing For System Modifications & Cost Responsibility For Dedicated  
 Transformer(s) And Other Safety Equipment For Net Metered Customers..... 65**

**Appendix F -Application Checklist ..... 73**

**Appendix G – Screening Analysis..... 75**

**Appendix H – Property Owner Consent Form ..... 76**

**Appendix H-1 Site Control Certification Form ..... 77**

**Appendix I – Moratorium Attestation Form ..... 78**

**Appendix J – Energy Storage System (ESS) Application Requirements..... 79**

**Appendix K – Project Construction Schedule ..... 85**

<b>Appendix L – Small Generator Certificate Of Completion.....</b>	<b>86</b>
<b>Appendix M - Interconnection Agreement For A System Greater Than 5 MW And Less Than 10 MW .....</b>	<b>87</b>
<b>Appendix N - Metering Requirements .....</b>	<b>124</b>
<b>Appendix O -Left Blank Intentionally .....</b>	<b>125</b>
<b>Appendix P1 -Feasibility Study Agreement .....</b>	<b>126</b>
<b>Appendix P2 – Assumptions Used-In Conducting Feasibility Study .....</b>	<b>131</b>
<b>Appendix Q1 – System Impact Study.....</b>	<b>132</b>
<b>Appendix Q2 – Assumptions Used In Conducting The System Impact Study .....</b>	<b>137</b>
<b>Appendix R1 – Facilities Study Agreement .....</b>	<b>138</b>
<b>Appendix R2 – Facilities Study Agreement Input Data Requirements .....</b>	<b>143</b>

## 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>10</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 DG 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 DG 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 DG 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.
- vii. [PSEG Long Island may make changes to interconnection timelines to accommodate tax-credit eligible projects, consistent with Public Service Commission Case 24-E-0621, Order on Interconnection Queue Management, Issued January 23, 2026. This may result in priority projects being expedited and non-priority projects being delayed.](#)

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

<sup>10</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.

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.

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

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)**

**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”), and with settings as specified in the PSEG Long Island’s technical requirements document 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, shall remove the application 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's 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") and with settings as specified in the PSEG Long Island's technical requirements document, 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.

#### **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 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 as per Section II.A.8 ;
- 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.

### **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.

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.

If the applicant does not return the signed contract within the time allowed, the application shall be removed from PSEG Long Island's interconnection queue, and no further action on the part of PSEG Long Island is required.

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>11</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.

### **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, 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.

<sup>11</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. PSEG Long Island will provide the applicant an Interconnection Agreement as set forth in Appendix M 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's 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 Interconnection Agreement Appendix M, 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:** Site Control shall mean: (1) documentation of the requisite control of the real property where the facility will be sited (in the form required by subsections a, b, or c below); and (2) executed New York State Standard Acknowledgement of Property Owner Consent Form and Site Control Certification Form, provided in Appendix H and Appendix H-1, unless otherwise subject to the exception provided below. Evidence of Site Control must be submitted with the Interconnection Request.

- 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.

Exception: Applicant does not need to execute Appendix H and Appendix H-1 in the following cases:

- a. The Applicant is the owner of real property where the project will be sited and can demonstrate the ownership of the property; or
- b. The Applicant submits evidence to the Utility's satisfaction that the interconnecting customer holds the requisite documentation demonstrating site control of the physical location where the project will be situated and has obtained all required property owner/lessor consents for the installation of the distributed generation facility at the project site (for example: Landlord Estoppel Certificate).

**9. 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.

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~~ Power Authority (-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:

<u>Standard</u>	<u>Conditions Covered</u>
<u>ANSI/IEEEC37.90</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
<u>ANSI/IEEE C37.90.1</u>	Surge Withstand Capability (SWC) Fast Transient Test
<u>IEEE C37.90.2</u>	Radio Frequency Interference
<u>IEEE C37.98</u>	Seismic Testing (fragility) of Protective and Auxiliary Relays
<u>Standard</u>	<u>Conditions Covered</u>
<u>ANSI C37.2</u>	Electric Power System Device Function Numbers
<u>IEC 255-21-1</u>	Vibration
<u>IEC 2555-22-2</u>	Electrostatic Discharge
<u>IEC 25 5-5</u>	Insulation (Impulse Voltage Withstand)

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

**LONG ISLAND ~~LIGHTING COMPANY D/B/A~~POWER AUTHORITY (-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:**

Name:

\_\_\_\_\_

Address:

\_\_\_\_\_

Telephone:

\_\_\_\_\_

Fax:

\_\_\_\_\_

Email:

\_\_\_\_\_

Installation Address (if different):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Unit Application/PAM No.

\_\_\_\_\_

**Utility Information:**

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

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

Telephone: (516) 949-7004

Email: PSEG-LI-PAMInterconnect@pseg.com

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

## 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.

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

**“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>

**“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>.

**“Site Control” shall have the definition set forth in Section II.A.8**

**“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.

**"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.

### 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 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 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 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.

**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~~Power Authority (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.

**ACCEPTED AND AGREED:**

**Long Island Electric Utility Service LLC**  
**acting as agent of and on behalf of**  
**Long Island ~~Lighting Company d/b/a~~Power**  
**Authority (-LIPA)**

**[Customer]**

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

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

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

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

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

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

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

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

**EXHIBIT A**

**ADDITIONAL INTERCONNECTION REQUIREMENTS**

**Appendix A-1-For Use with Governmental Agencies<sup>12</sup>**

**Standardized Interconnection Contract For Systems 5MW Or Less**

**LONG ISLAND POWER AUTHORITY (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:**

**Name:**

\_\_\_\_\_

**Address:**

\_\_\_\_\_

**Telephone:**

\_\_\_\_\_

**Fax:**

\_\_\_\_\_

**Email:**

\_\_\_\_\_

**Installation Address (if different):**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Unit Application/PAM No.**

\_\_\_\_\_

**Utility Information:**

**Name: Long Island Electric Utility Servco LLC**  
**("T&D Manager") acting as agent for and**  
**on behalf of LONG ISLAND POWER**  
**AUTHORITY ("LIPA")**

**Address: 175 E. Old Country Road, EOB**  
**Hicksville, NY 11801**

**Telephone: (516) 949-7004**

**Email: PSEG-LI-PAMinterconnect@psegliny.com**

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

<sup>12</sup> Eligible customers are Governmental Agencies including federal, state, local (cities, counties, towns, villages) and educational customers (libraries and schools).

## **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.

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

**"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>

**"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/file s.cfm/SGIP.pdf>.

**"Site Control"** shall have the definition set forth in Section II.A.8.

**"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.

"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.

### 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" and Exhibit A1 of this agreement 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 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 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

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.

**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 Power Authority (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 A1 of this Agreement.

**ACCEPTED AND AGREED:**

**Long Island Electric Utility Service LLC**  
**acting as agent of and on behalf of**  
**Long Island Power Authority (LIPA)**

**[Customer]**

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

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

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

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

## EXHIBIT A1

### ADDITIONAL INTERCONNECTION REQUIREMENTS

1. For Governmental Agencies<sup>1</sup>, the requirement for Supervisory Control and Data Acquisition (SCADA) shall be as follows<sup>2</sup>:

#### Supervisory Control and Data Acquisition (SCADA):

A Unit with aggregate rating of 500 KVA or greater shall require a SCADA (Supervisory Control and Data Acquisition) system Remote Terminal Unit (RTU). Interconnection Customer's RTU is required to use DNP 3.0 Serial Protocol. The supervisory equipment located at the Unit Premises shall be procured, installed, maintained, and paid for by the Interconnection Customer. A DNP points list, otherwise known as "function tabs," will be provided by PSEG Long Island to Interconnection Customer to configure Interconnection Customer's RTU. The supervisory equipment at the LIPA Operations Center will be procured, installed, maintained by LIPA and paid for by the Interconnection Customer. A dedicated leased TLS communication circuit AND/OR a wireless 4G backup is required for communication between the Interconnection Customer's RTU and LIPA's SCADA system (at LIPA's Operations Center). The lease line(s) shall be ordered by LIPA and owned by LIPA. Installation, maintenance and subsequent monthly charges for lease line and/or wireless lines shall be charged by LIPA to the Interconnection Customer. Interconnection Customer would be responsible for all future costs related to upgrades and/or modification to TLS or wireless communication circuit.

2. BILLING AND PAYMENT

#### 2.1 Billing Procedures:

Within twenty (20) Business Days after the first (1st) day of each month, LIPA 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. Interconnection Customer 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.

#### 2.2 Billing Payment Addresses:

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

<sup>1</sup> Eligible customers are Governmental Agencies including federal, state, local (cities, counties, towns, villages) and educational customers (libraries and schools).

<sup>2</sup> The process outlined in this section is the default process for eligible customers unless the customer chooses to opt-out.

2.3 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 Section IV of this agreement.
- (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.

2.4 Interest:

If the Interconnection Customer 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.

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

**LONG ISLAND ~~LIGHTING COMPANY D/B/A~~POWER AUTHORITY (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) \_\_\_\_\_

**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::

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.)

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

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

**LONG ISLAND ~~LIGHTING COMPANY D/B/A~~POWER AUTHORITY (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) \_\_\_\_\_

**Energy Producing Equipment Information:**

Manufacturer:

Model No.:

Version No.:

( ) Synchronous ( ) Induction ( ) Other (Define) \_\_\_\_\_

Rating: \_\_\_\_\_ kW Rating: \_\_\_\_\_ kVA

Rated Output: \_\_\_\_\_ VA Rated Voltage: \_\_\_\_\_ Volts

Rated Frequency: \_\_\_\_\_ Hz Rated Speed: \_\_\_\_\_ RPM

Efficiency: \_\_\_\_\_ % Power Factor: \_\_\_\_\_ %

Rated Current: \_\_\_\_\_ Amps Locked Rotor Current: \_\_\_\_\_ Amps

Synchronous Speed: \_\_\_\_\_ RPM Winding Connection: \_\_\_\_\_

Min. Operating Freq. /Time: \_\_\_\_\_

Generator Connection: ( ) Delta ( ) Wye ( ) Wye Grounded

System Tested to UL 1741 (most current version) (Total System):

( ) Yes ( ) No If no, attach product literature.

Equipment Tested to UL 1741 (most current version) (i.e., Protection System):

( ) Yes ( ) No

If no, attach product literature.

Three Line Diagram attached: ( ) Yes

Verification Test Plan attached: ( ) Yes

If applicable, Certification to UL 1741 attached: ( ) Yes

System total size \_\_\_\_\_kW AC

**For Synchronous Machines**

Submit copies of the Saturation Curve and the Vee Curve

( ) Salient ( ) Non-Salient

Torque: \_\_\_\_\_ lb-ft Rated RPM:

Field Amperes: \_\_\_\_\_ at rated generator voltage and current and \_\_\_\_\_ % PF over-excited

Type of Exciter: \_\_\_\_\_

Output Power of Exciter: \_\_\_\_\_

Type of Voltage Regulator: \_\_\_\_\_

Direct-axis Synchronous Reactance (Xd): \_\_\_\_\_ ohms

Direct-axis Transient Reactance (X'd) : \_\_\_\_\_ ohms

Direct-axis Sub-transient Reactance (X'd): \_\_\_\_\_ ohms

**For Induction Machines:**

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

**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)

## **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.

### **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.

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 1.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.

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 ~~I~~-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. ~~In accordance with the requirements of Section I-D, each applicant shall pay the Qualifying Upgrade Charge ninety (90) Business Days following the CESIR delivery, and 30% of the project specific costs ninety (90) Business Days following the CESIR delivery and pay a Qualifying Upgrade Charge one hundred and twenty (120) Business Days from when the utility confirms receipt of the 30%.~~ ~~in accordance with the requirements of Section II-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 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. At the discretion of the applicant, the Triggering Project can opt out of cost sharing until the Qualifying upgrade payment date, thereby classifying the upgrade as a project specific non-shared upgrade and be subject to the rules for project specific non-shared costs as per Section I-D.

**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.

**Market-Initiated Cost Sharing 2.0 Mechanisms**

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

<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><b>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.</b></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 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><b>Remaining reconciliation for Qualifying Upgrade Cost to occur pursuant to Section I.C of the SGIP.</b></p>

<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><b>Remaining reconciliation for Qualifying Upgrade Costs to occur pursuant to Section I.C of the SGIP.</b></p>
----------------------------------------------------	------------------------------------------------------------------------------	------------------------------------------------------------------------------	-----------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**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:

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.
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.

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 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 as per Section II.A.8	✓
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>	✓



## **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>

### **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>

**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 proposed distributed generation facility and interconnection (Developer/Applicant), when that entity is not also the owner of the real property where such facility will be located, and the real property owner’s electric facilities will not be involved in the interconnection of the distributed generation facility. The Property Owner shall also execute this form and attach a copy of Tax Bill/Deed/Lease/Agreement/Other 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: \_\_\_\_\_

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

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

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

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

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

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

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

**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]

\_\_\_\_\_ (the "Property Owner") is the owner of the above- referenced real 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.

	Signed option agreement to lease or purchase the Property
	Executed lease agreement for the Property
	Executed agreement to purchase the Property
	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: \_\_\_\_\_

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

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

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

Developer

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

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

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

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

**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 – Energy Storage System (ESS) Application Requirements

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

#### Application Requirements:

- 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? (if information is available.) Use the example given below for the project description if information is available.

Project consists of a new AC-coupled hybrid Distributed Generator (DG) and Energy Storage System (ESS). The proposed project is not associated with any other existing DER at the facility OR The proposed project is associated with project XYZ (provide project number from relevant utility's IOAP). The DG consists of a 2000 kVa solar PV system, and the ESS will be a single inverter 979.2 kW/1000 kVa with a 3916.8 kWh rating. The required ESS charging capacity of our system will be 4189 kWh factoring in round trip efficiency of 93.5% and will charge from both the PV and the grid. The system will have an auxiliary load of 45 kVA, and the itemized list will be included in the line diagram.

- a.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 from the grid, but grid consumption by ESS is netted out of grid exports<sup>1</sup>.
3. Hybrid Option D - ESS may charge/discharge unrestricted from the grid, but any consumption on the account is netted out of grid exports
4. N/A - not Value Stack

b.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.

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

<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.

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.

e.d. Indicate DER system nameplate rating based on the proposed project configuration i.e., stand-alone, AC-couples or DC-couples. The values should be broken down by existing DER and DER to be installed in the DER Nameplate Rating table below. Also indicate the total exporting capacity and total importing capacity including all losses in the Storage Capacity Table.

Table 1. DER Nameplate Rating

<u>DER System</u>		<u>Inverter Nameplate Rating</u>		<u>Factory Limited Nameplate Rating*</u>	
		<u>kW</u>	<u>kVA</u>	<u>kW</u>	<u>kVA</u>
<u>Stand-Alone</u>	<u>New Storage to be Installed</u>				
	<u>Existing Storage Installation if Applicable</u>				
<u>AC-Coupled System</u>	<u>New Storage to be Installed</u>				
	<u>Existing Storage Installation if Applicable</u>				
	<u>New DG to be Installed</u>				
	<u>Existing DG Installation if Applicable</u>				
<u>DC-Coupled System</u>	<u>New Storage and DG to be Installed</u>				
	<u>Existing DG and Storage Installation if Applicable</u>				

\* If the factory nameplate rating reflects system limitations, the equipment manufacturer shall additionally provide a letter verifying the factory limited reduced rating of the system before the utility can utilize the factory limited nameplate rating in the CESIR.

Table 2. Storage Capacity

<u>Storage Capacity in kWh</u>	
<u>Total Export Capacity</u>	
<u>Total Import Capacity – Charging and Losses</u>	
<u>Round trip Efficiency</u>	

whether the ESS and DG system inverter(s)/converter(s) are DC-coupled or AC-coupled and provide the following:

~~DER Nameplate Ratings:~~

~~Storage inverter rating (kW) for AC coupled or stand-alone systems;~~

~~DG inverter rating (kW) for AC coupled systems (if DG present); or~~

~~DG + ESS inverter rating (kW) for DC coupled systems.~~

~~Storage capacity (kWh)<sup>3</sup>~~

~~d.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).

~~e.f.~~ Indicate the type of Energy Storage (ES) technology to be used. For example, NaS, Dry Cell, PB-acid, Li-ion, vanadium flow, etc.

~~f.g.~~ Will the proposed project provide both real power and reactive power (PQ injection)?

~~g.h.~~ Will the proposed project provide reactive power control, either via volt/VAR mod or specific power factor?

~~h.i.~~ Indicate whether the interconnected inverters 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 Island’s technical requirements document

3. List the UL 1741 CRD for PCS, if this applies to the project. Also mention the certification tests were performed and/or excluded for the proposed inverter.

4. List the UL 1741 CRD for Multimide, if this applies to the project. Also mention the certification tests that were performed for the proposed inverter.

~~i.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.

List the ancillary equipment’s maximum import in kW and kVA for HVAC and other aggregated ancillary loads in the table below. Where data on ancillary equipment load is unavailable, please provide the best estimate.

Table 3. List of Ancillary Equipment and Load

<u>Ancillary Equipment</u>	<u>Ancillary Load</u>	
	<u>kW</u>	<u>kVA</u>

~~j.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.

<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 data field.~~

~~k.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

~~l.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. Add check boxes against the preferred charging and discharging windows in Table 5 below. For a 24/7 unrestricted schedule, check all boxes for charging and discharging windows. Where scheduled operation is selected, please ensure that the energy storage system's operation is aligned with the local utility's guidelines for charging and discharging. Be advised that the specific conditions and requirements of the local electrical circuit will be the determining factor for the final operational charge/discharge windows and rates. If not specified, the utility will prescribe operational windows based on the local utility's guidelines for scheduled operation. Also indicate any specific operational limitations that will be imposed (e.g., will not charge or discharge across PCC between 2-7 pm; etc.).

Please indicate if the project should be studied for one or both scenarios.

Table 4. Preferred Study Operation Windows

<u>Study Operation Windows</u>	<u>Yes/No</u>
<u>Preferred/selected operation window</u>	
<u>24/7 unrestricted operation</u>	

If 24/7 unrestricted operation is not selected, please fill the table below. In the Capacity (kW) column, mention the fraction of battery nameplate capacity in whole numbers that will charge or discharge.

Table 5. 24/7 Charging and Discharging Schedule

<u>Time of Operation</u>	<u>Charging</u>		<u>Discharging</u>	
	<u>Check as applicable</u>	<u>Capacity (kW)</u>	<u>Check as applicable</u>	<u>Capacity (kW)</u>
<u>2400-0100</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>0100-0200</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>0200-0300</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>0300-0400</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>0400-0500</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>0500-0600</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>0600-0700</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>0700-0800</u>	<input type="checkbox"/>		<input type="checkbox"/>	

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

<u>0800-0900</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>0900-1000</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>1000-1100</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>1100-1200</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>1200-1300</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>1300-1400</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>1400-1500</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>1500-1600</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>1600-1700</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>1700-1800</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>1800-1900</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>1900-2000</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>2000-2100</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>2100-2200</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>2200-2300</u>	<input type="checkbox"/>		<input type="checkbox"/>	
<u>2300-2400</u>	<input type="checkbox"/>		<input type="checkbox"/>	

~~m.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.

~~n.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 effective grounding requirements.

~~o.q.~~ Provide short circuit current capabilities and harmonic output from the hybrid ESS project or stand-alone ESS.

~~p.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.

- a. Indicate whether the interconnected inverters 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.

**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.

<b>Milestone</b>	<b>Estimated Time Duration to Completion (Weeks)</b>	<b>Responsible Party</b>
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
Updated Construction Schedule		PSEG Long Island / Provide an Updated Construction Schedule
Verification Test Coordination Customer Witness Testing Energization/Permission to Operate		PSEG Long Island / <u>Interconnection customer</u> <i>Customer submittals required to be <u>approved</u> to schedule test</i>
Total Project Duration		PSEG Long Island /Interconnection Customer

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

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

**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]**

**BETWEEN**

**LONG ISLAND ~~LIGHTING COMPANY D/B/A~~ POWER AUTHORITY (LIPA)**

**AND**

**[PARTY NAME]**

## TABLE OF CONTENTS

### ARTICLES

Article 1	Construction and Definitions
Article 2	Term
Article 3	Billing and Payment
Article 4	Regulatory Approvals
Article 5	Sale of Electricity
Article 6	Installation, Operation and Maintenance of the Interconnection Facilities
Article 7	Isolation Rights
Article 8	Inspection and Access Rights
Article 9	Events of Default; Termination
Article 10	Dispute Resolution
Article 11	Indemnity; Limitation of Liability; Insurance
Article 12	Force Majeure
Article 13	Notices
Article 14	Assignment or Transfer
Article 15	Confidentiality
Article 16	Miscellaneous

## **EXHIBITS**

Exhibit A – System One-Line / Point of Attachment and Interconnection Facilities/  
Demarcation Points

Exhibit B – Interconnection and Metering Requirements

Exhibit C – Facility Design and Verification Studies

Exhibit D – Commissioning, Startup, and Maintenance Procedures for Interconnection  
Facilities

Exhibit E – Interconnection Cost Estimate

THIS INTERCONNECTION AGREEMENT (this "Agreement") is made and entered into this \_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ by and between Long Island ~~Lighting Company doing business as~~ Power Authority -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 municipal instrumentality 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.

**"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.

**"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.

**"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.

**"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, 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.

**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:

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**

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.

**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

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

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

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

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

- (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.

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.

## **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.

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.

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.

## **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.

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.

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:

- (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

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.

- (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.
- (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.

**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.

**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:

To LIPA:

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.

**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.

**ARTICLE 15**  
**CONFIDENTIALITY**

15.1 Claim of Confidentiality.

- (a) In connection with this Agreement, the Parties and T&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

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

(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.

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]*

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 SERVCO LLC**

**Acting as agent for and behalf of**

**LONG ISLAND ~~LIGHTING COMPANY~~ d/b/a POWER AUTHORITY (LIPA)**

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

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

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

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

**[PARTY NAME]**

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

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

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

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

**EXHIBIT A**  
**SYSTEM ONE-LINE / POINT OF ATTACHMENT**  
**AND INTERCONNECTION AND INTERCONNECTION**  
**FACILITIES / DEMARCATION POINTS**

**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.

**EXHIBIT C**  
**FACILITY DESIGN AND VERIFICATION STUDIES**

**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).

All relays must be field verified and bench tested to meet the following tolerance criteria:

<b>Test Parameter</b>	<b>Tolerance of Specified Settings</b>
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.

**EXHIBIT E**  
**INTERCONNECTION COST ESTIMATE**

**The current interconnection estimate is [INSERT DOLLAR AMOUNT]**

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 - 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.

**Appendix O -Left Blank Intentionally**

## **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 LIPAPower Authority~~ ("LIPA"). Interconnection Customer and LIPA each may  
be referred to as a "Party," or collectively as the "Parties."

### **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;

**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.

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.

- 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

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.

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 Power**  
**Authority (LIPA)**

**[Insert name of Interconnection Customer]**

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

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

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

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

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

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

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

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

**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.

## 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~~ Power Authority ("LIPA"). Interconnection Customer and LIPA each may be referred to as a "Party," or collectively as the "Parties."

### **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.

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

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 or 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

- 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

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 Power**  
**Authority (LIPA)**

**[Insert name of Interconnection Customer]**

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

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

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

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

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

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

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

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

**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.

## **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~~ Power Authority ("LIPA"). Interconnection Customer and LIPA each may be referred to as a "Party," or collectively as the "Parties."

### **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 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.

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 OATT 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.

- 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.

- 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.

**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 Power**  
**Authority (LIPA)**

**[Insert name of Interconnection Customer]**

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

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

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

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

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

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

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

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

**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.

---

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:

---

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: \_\_\_\_\_

UNIFORM BUSINESS PRACTICES  
FOR ELECTRIC ENERGY SERVICE  
COMPANIES  
IN THE LIPA SERVICE TERRITORY  
 (“UBP-LI-ESCO”)

July 2026

## **Table of Contents**

SECTION 1: DEFINITIONS.....	3
SECTION 2: ELIGIBILITY REQUIREMENTS.....	8
SECTION 3: CREDITWORTHINESS.....	17
SECTION 4: CUSTOMER INFORMATION.....	21
SECTION 5: CHANGES IN SERVICE PROVIDERS.....	24
SECTION 6: CUSTOMER INQUIRIES.....	39
SECTION 7: AUTHORITY INVOICES.....	41
SECTION 8: DISPUTES INVOLVING THE AUTHORITY, ESCOs, <u>ENERGY</u> <u>BROKERS/CONSULTANTS</u> , OR DIRECT RETAIL CUSTOMERS.....	43
SECTION 9: BILLING AND PAYMENT PROCESSING.....	45
SECTION 10: MARKETING STANDARDS.....	54
<u>SECTION 11: ENERGY BROKERS AND ENERGY CONSULTANTS.....</u>	<u>60</u>

## SECTION 1: DEFINITIONS

As used in the Uniform Business Practices for Electric Energy Service Companies in the LIPA Service Territory (UBP-LI-ESCO)

<sup>1</sup>, the following terms shall have the following meanings:

Assignment – Transfer by one ESCO to another ESCO of its rights and responsibilities relating to provision of electric supply under a sales agreement.

Authority- The Long Island Power Authority. Depending on usage, as used herein, this term may include or refer to the Authority’s subsidiary, Long Island Lighting Company d/b/a LIPA, which owns the electric transmission and distribution system in Nassau and Suffolk Counties and the Rockaways section of Queens in New York City, and/or the Manager<sup>2</sup> which is responsible for providing services on behalf of the Authority and/or its subsidiary under the terms of the Operations Services Agreement.

Authority customer account number – A number used by the Authority to identify the account of a utility customer.

Billing cycle – The period for which a customer is billed for usage of electricity.

Billing services agreement (BSA) – An agreement between the Authority and the ESCO stating the billing practices and procedures and the rights and responsibilities of billing and non-billing parties relating to issuance of consolidated bills to customers.

Budget billing – A billing plan that provides for level or uniform amounts due each billing period over a set number of periods, typically 12 months, and determined by dividing projected annual charges by the number of periods. Installment amounts may be adjusted during the period and may include reconciliations at the end of the budget period to account for differences between actual charges and installment amounts.

Business day – Monday through Friday, except for public holidays.

Consolidated billing – A billing option that provides customers with a single bill combining charges for both delivery and ESCO supply service and issued by the Authority (utility consolidated bill). This option is not available to ReCharge NY Customers at this time.

Customer inquiry – A question or request for information from a customer relating to a rate, term, or condition of service provided by an ESCO, the Authority or other service provider.

Cramming – The addition of unauthorized charges to a customer’s bill.

Deferred payment agreement (DPA) – A fair and equitable payment plan agreed upon by a customer and utility and/or a customer and an ESCO that allows a customer to pay a customer and utility and/or a customer and an ESCO that allows a customer to pay an overdue amount in installments. A DPA is based upon the customer's financial circumstances and ability to pay the overdue amount while making payment on current charges.

Demand – The amount of electricity that is or could be immediately needed by a customer at any given point in time, and sometimes referred to as customer load. For consolidated billing, the term is used in the context of “billing period demand” for customer bills. Demand can also

---

<sup>1</sup> In the event of any inconsistency between the Authority’s Electric Service Tariff and this document, the Tariff will govern.

<sup>2</sup> Manager - PSEG Long Island LLC, the entity engaged by the Authority to operate, maintain, manage and act as agent for the Authority’s system, including PSEG Long Island LLC’s subsidiary Long Island Electric Utility ServCo LLC, pursuant to the terms and conditions of the Operations Services Agreement. Nothing herein shall be read to change or modify Manager’s duties and obligations or create any liability on the part of Manager beyond that set forth in the Operations Services Agreement.

refer to: (1) the amount of electricity, measured in kilowatts (kW), that a customer uses at a point in time, (2) the customer's usage averaged over a period of one hour or less, or (3) the capacity of facilities reserved for the customer for stand-by or other service.

Direct Retail Customer – An entity that purchases and schedules delivery of electricity for its own consumption and not for resale. A customer with an aggregated minimum peak connected load of one (1) MW to a designated zonal service point qualifies for direct purchase and scheduling of electricity provided the customer complies with NYISO requirements.

Door-to-door sales – The sale of energy services in which the ESCO or the ESCO's representative personally solicits the sale, and the buyer's agreement or offer to purchase is made at a place other than the places of business of the seller; provided that "door-to-door sales" shall not include any sale which is conducted and consummated entirely by mail, telephone or other electronic means, or during a scheduled appointment at the premises of a buyer of nonresidential utility service, or through solicitations of commercial accounts at trade or business shows, conventions or expositions.

Drop – A transaction that closes a customer's account with a provider. This term is used when: (1) a customer's enrollment is pending and the customer rescinds the enrollment; (2) a customer enrolled with an ESCO returns to Authority service or enrolls with another ESCO; or (3) the ESCO discontinues service to a customer.

Dual billing – A billing option that provides for separate calculation of charges and presentation of bills to the customer by the Authority and ESCO.

Electronic data interchange (EDI) – The computer-to-computer exchange of routine information in a standard format using established data processing protocols. EDI transactions are used in retail access programs to switch customers from one supplier to another or to exchange customers' account history or billing data between the Authority and an ESCO. Transaction set standards, processing protocols and test plans are authorized in orders issued by the Public Service Commission in Case 98-M- 0667, In the Matter of Electronic Data Interchange and available on the Department of Public Service website at: [www.dps.ny.gov/98m0667.htm](http://www.dps.ny.gov/98m0667.htm). EDI is not available for ReCharge NY Customers at this time. A non-EDI process will be utilized for ReCharge NY Customers.

Energy broker – A non-utility entity that performs energy management or procurement functions on behalf of customers or ESCO and that assumes the contractual and legal responsibility for the sale of electric supply service, transmission or other services to end-use retail customers, but does not take title to any of the electricity sold, and s-but does not make retail energy sales to customers.

Energy Consultant – Any person, firm, association or corporation who acts as broker in soliciting, negotiating or advising any electric or natural gas contract, or acts as an agent in accepting any electric or natural gas contract on behalf of an ESCO.

Energy services company (ESCO) – An entity eligible to sell electricity to end-use customers using the transmission or distribution system of a utility. ESCOs may perform other retail service functions.

ESCO marketing representative – An entity that is either the ESCO, ~~or~~ a contractor/vendor, an Energy Broker, or Energy Consultant conducting, on behalf of the ESCO, any marketing activity that is designed to enroll customers with the ESCO.

Enroll/Enrollment – The process used to switch a customer from the Authority-provided supply service to an ESCO or from one ESCO to another.

Enrollment date – The effective date for commencement of electric supply service from an

ESCO or the Authority.

Express Customer Consent – Consent given directly and knowingly by the customer, either verbally, electronically or in writing, that shall be maintained by the ESCO in a verifiable format.

Guarantor – An entity that agrees to pay another's debt or perform another's duty, liability, or obligation.

Independent Third-Party Verification – the confirmation of a customer's agreement to take service from an ESCO or authorization for the ESCO to request information by a Verification Agent.

Interval data – Actual energy usage for a specific time interval for a specific period recorded by a meter or other measurement device.

LIPA Electric Service Tariff – A schedule of rates, terms and conditions of services provided by the Authority.

Load profile – Actual or estimated customer energy usage by hourly or sub-hourly interval over a period of a week, month, or year representing usage for a customer or average usage for a customer class.

Lockbox – A billing payment receipt method agreed upon by the Authority and an ESCO, involving use of a third-party financial institution to receive and disburse customer payments.

Marketing - The publication, dissemination, or distribution of informational and advertising materials regarding the ESCO's services and products to the public by print, broadcast, electronic media, direct mail, or by telecommunication.

Material Change – Any change that affects the rates, terms, and conditions of service contained in the customer agreement. For example, this could include but not be limited to, the commodity rate, product term, or product type.

Meter – A device for determination of the units of electric service supplied to consumers.

Multi-retailer model – A model for retail access that involves provision of electric supply and of delivery service, provided separately to end use customers by two or more entities.

New York State Independent System Operator (NYISO) - An independent management organization, authorized by the Federal Energy Regulatory Commission, operating the bulk electric transmission system.

New delivery customer – A customer initiating delivery service by the Authority.

Office of Consumer Services – The Office, within the Department of Public Service, which receives and makes determinations concerning customer complaints in accordance with the LIPA Electric Service Tariff. Office of Consumer Services (OCS) identifies the exiting Office or its successor in the event the Office name is changed.

Pending enrollment – A stage in processing an enrollment that commences with validation of an enrollment transaction request and ends on the enrollment date that the new supplier is expected to deliver energy.

Pending ESCO – An ESCO is a pending ESCO from the date of receipt of an EDI notice containing the effective date for a customer's enrollment until the ESCO commences supply service for that customer. ReCharge NY Customers will be notified using a non-EDI process.

Plain Language – Written in clear and coherent manner using words with common and everyday meaning and avoiding legal or energy industry terms, acronyms, and abbreviations that a person of ordinary intelligence would not be expected to understand. If use of a technical term is necessary, the term is clearly defined in the portion of the text where it is used.

Purchased accounts receivable – A debt owed to an ESCO by a customer for receipt of supplies

of electricity and transferred to the Authority by the ESCO in exchange for consideration.

Without recourse – Purchase of accounts receivable without recourse by the Authority means that the ESCO is not liable to the Authority if the ESCO's customers fail to make payments. The Authority when purchasing accounts receivable without recourse sends payments to an ESCO at predetermined intervals for amounts billed that are not in dispute and has no right to seek reimbursement from an ESCO of any unpaid amounts.

Rate ready – A consolidated billing practice that requires each ESCO to furnish to the Authority, in advance of the billing cycle, the rates, rate codes or prices (fixed and/or variable), tax rates, billing information, and bill messages. The Authority, after receipt of meter usage data, uses the information on record to calculate the ESCO's charges.

ReCharge NY Customer(s) – Customers participating in the Authority's ReCharge NY Power Program as described in LIPA's Tariff.

Residential customer – An individual or occupant of a residential premise as defined in 16 NYCRR Part 11.2(a)(2).

Sales agreement – An agreement between a customer and an ESCO that contains the terms and conditions governing the supply of electricity provided by an ESCO. The agreement may be a written contract signed by the customer or a statement supporting a customer's verifiable verbal or electronic authorization to enter into an agreement with the ESCO for the services specified.

Slamming – Enrollment of a customer by an ESCO without authorization.

Small non-residential electric customer – a non-residential electric customer who does not have any demand metered accounts.

Special meter reading – An actual meter reading performed, upon request, on a date that is different than the regularly scheduled meter reading date.

Special needs customer – A customer who has a certified medical emergency condition, who is elderly, blind or physically challenged, or who may suffer serious impairment to health or safety as a result of service termination during cold weather periods and, thus, is eligible for special procedures before termination of service under the Home Energy Fair Practices Act (HEFPA) (Public Service Law §32(3)).

Switch – Transfer of a customer from one ESCO to another, from the Authority to an ESCO, or from an ESCO to the Authority.

Switching cycle – For electric service, the period between the date of the last meter read and the next regularly scheduled meter read.

Termination Fee – An amount specified in an ESCO sales agreement where such agreement permits the ESCO to assess and collect a charge in such amount to a customer who terminates the agreement before the end of a term described in that agreement, regardless of whether the assessed amount is identified as a fee, a charge, liquidated damages or a methodology for the calculation of damages, and regardless of whether it is fixed, scaled or subject to calculation based on market factors. In the event the customer is deceased before the end of such contract term, no fee for termination or early cancellation shall be assessed.

Verification Agent - An entity that is an independent vendor/contractor conducting, on behalf of the ESCO, verification of an agreement, resulting from telephonic or door-to-door marketing with a customer to initiate service and begin enrollment or to obtain customer authorization for release of information, as required by Section 5, Attachment 1 of the UBP-LI-ESCO. In the limited circumstance where the verification is only of customer authorization for release of information, the entity does not need to be independent of the ESCO.

**SECTION 2: ELIGIBILITY REQUIREMENTS**

## A. Applicability

ESCOs seeking to operate in the LIPA service territory are required to receive and maintain a Department of Public Service (the Department) finding of eligibility to sell electricity as an ESCO. The following details the Department's requirements for an ESCO to receive and maintain eligibility.

## B. Application Requirements

1. Applicants seeking eligibility to sell electricity as ESCOs are required to submit to the Department an application package containing the following information and attachments:
  - a. A completed Retail Access Eligibility Application Form (Application), available on the Department website ([www.dps.ny.gov](http://www.dps.ny.gov)). The Application shall require the applicant to:
    - i. identify the methods by which it intends to market its products and services to customers;
    - ii. identify the category/categories of commodity products it intends to provide to customers (e.g. variable-rate, fixed-rate, or renewably sourced commodity);
    - iii. disclose each state in which the applicant operates as an ESCO or has operated within the 24 months preceding the date of application and provide any data in its possession regarding complaint history;
    - iv. disclose any other trade names used by the applicant and the state in which the trade name was/is used;
    - v. disclose and describe any data breaches associated with customer proprietary information that occurred in any jurisdiction within the 24 months preceding the date of application, as well as any actions taken by the applicant in response to the incident(s);
    - vi. disclose and describe specific policies and procedures established by the applicant to secure customer data; and
    - vii. disclose any history of bankruptcy, dissolution, merger, or acquisition activities in the 24 months preceding the date of application, including data for affiliates of the ESCO applicant and upstream owners and subsidiaries.
  - b. A sample standard Sales Agreement for each customer class that meets the requirements set forth in Section 5.B.3, *infra*.
  - c. Sample forms of the notices sent upon assignment of sales agreements, discontinuance of service, renewal notices, or transfer of customers to other providers.
  - d. A sample ESCO bill used when dual billing is in effect with terms stated in clear, plain language. A copy of the ESCO sample bill shall also be provided to the Authority.
  - e. Procedures used to obtain customer authorization for ESCO access to a

- customers' historic usage or credit information;
  - f. Sample copies of informational and promotional materials that the ESCO uses for mass marketing purposes;
  - g. Proof of registration with the New York State Department of State;
  - h. Internal procedures for prevention of slamming and cramming;
  - i. Name, postal and e-mail addresses, and telephone and fax numbers for the applicant's main office;
  - j. Names and addresses of any entities that hold ownership interests of 10% or more in the ESCO, including a contact name for corporate entities and partnerships;
  - k. Detailed explanation of any criminal or regulatory sanctions imposed during the previous 36 months against any senior officers of the ESCO or any entities holding ownership interests of 10% or more in the ESCO;
  - l. An Officer Certification document sworn to by a high-level officer of the ESCO applicant, such as the Chief Executive Officer, President or the equivalent, in which the officer affirms that the ESCO is willing and able to comply with all applicable laws and regulations;
  - m. A copy of the ESCO's quality assurance program, which is designed to monitor (a) compliance with Section 10 of the UBP-LI-ESCO and (b) accuracy of the ESCO marketing materials provided to prospective customers;
  - n. A completed Service Provider Contact Form, which can be found on the Department's website <http://www.dps.ny.gov/ocs.html>, identifying the ESCO's employee(s) responsible for resolving consumer complaints received by the Department and referred to the ESCO; and
  - o. A list of the entities, including contractors and sub-contractors, that will market to customers on behalf of the ESCO. The list must include the entities' names, addresses, phone numbers and owners, managers, and/or principals. This list must be updated regularly as entities are added or removed.
2. Applicants shall submit to the Department the name of the utility that will test designated EDI transactions required for syntactical verification in the Phase I testing program. The Department shall maintain a list of ESCOs that successfully complete Phase I test requirements by transaction type.
  3. An ESCO that knowingly makes false statements in its application package is subject to denial or revocation of eligibility.
  4. If the application package contains information that is a trade secret or sensitive for security reasons, the applicant may request that the Department withhold disclosure of the information, pursuant to the Freedom of Information Law (Public Officers Law Article 6) and Public Service Commission regulations (16 NYCRR §6-1.3).
- C. Department Review Process
1. The Department shall review the Application information and documentation submitted by each applicant and make an initial determination as to the applicant's likelihood of compliance with the Uniform Business Practices if the ESCO were deemed eligible to operate in the State. To enable the Department to make a thorough

~~and~~ assessment of an application, an ESCO shall notify the Department of any major changes in the information submitted in the Retail Access Eligibility Application Form and/or application package that occurs during the Department review process.

2. Following its review of the Application information and documentation, the Department shall advise the applicant, in writing, if the Application is approved and the applicant is eligible to operate in the State and if satisfaction of Phase I EDI testing requirement has been verified by the utility designated by the applicant.
  3. ESCOs deemed eligible to provide supply service by the Department must begin serving customers within two-years from the date of the letter notifying the ESCO of their eligibility status (eligibility letter). The ESCO that does not begin serving customers within such two-year period may be required to conduct additional EDI testing before enrollments will beprocessed.
  4. If following its review of the Application information and documentation the Department determines that the applicant is not likely to comply with the UBP-LI-ESCO if the ESCO were deemed eligible, the Department may recommend to the Commission that, for good cause shown, the Commission deny the ESCO's Application.
  5. In any instance that the Department recommends to the Commission that an ESCO applicant be denied eligibility, the applicant shall be afforded an opportunity to provide to the Commission with a response in rebuttal to the Department's recommendation and in support of its application before the Commission renders a final eligibility determination.
  6. The Department shall periodically review the eligibility of each ESCO operating in New York and make a recommendation to the Commission if the Department finds that the ESCO should not be permitted to continue operating in New York.
- D. Maintaining ESCO Eligibility Status
1. An ESCO shall submit by January 31 each year (January 31 Statement):
    - a. a statement that the information and attachments in its Retail Access EligibilityForm and application package are current; or
    - b. a description of revisions to the Retail Access Eligibility Form and application package and a copy of the revised portions or, at the ESCO's option, a copy of the revised portions identifying the revisions by highlighting or other means; and
    - c. An Officer Certification document, as required by Section 2.B.1.
  2. An ESCO shall update all the information it submitted in its original application package to the Department every three years, starting from the date of its eligibility letter, consistent with the requirements of UBP-LI-ESCO Section 2.B. An ESCO's status as an eligible supplier is continuous from the date of the Department eligibility letter, unless revoked or otherwise limited in accordance with UBP-LI-ESCO Section 2.D.5. If the three-year anniversary date falls within one month of January 31, the ESCO shall resubmit its application package in lieu of the January 31 statement.
  3. An ESCO shall file with the Secretary of the Department, a separate average unit price for products with no energy-related value-added services for each of two groups of customers and by load zone: i) residential price fixed for a minimum 12-month period; ii) residential variable price. The averages should be weighted by the amount of

supply sold at each price within each customer category. ESCOs shall also file the number of customers purchasing products in those categories. ESCOs shall file the required information quarterly, reflecting data over that period, within 30 days of the end of each calendar quarter (i.e., data must be provided no later than April 30th, July 30th, October 30th and January 30th of each year).<sup>1</sup>

4. An ESCO shall submit at other times during the year:
  - a. A description of any major change in the Retail Access Eligibility Application Form and/or application package and a copy of the revised portions or, at the ESCO's option, a copy of the revised portions identifying the revisions by highlighting or other means. For purposes of Subdivision D of this Section, the term, "major change," means a revision in the terms and conditions applicable to the business relationship between the ESCO and its customers, including provisions governing the process for termination of sales agreements.
  - b. Changes in marketing plans, including changes to the list required in subsection B.1.n of this Section of the UBP-LI-ESCO.
  - c. Changes in the ESCO's business and customer service information displayed on the Department's Website.
  - d. At least once every thirty days, each ESCO serving residential customers must post a price for each product it offers to those customer classes (e.g., fixed-price, variable-price, renewable energy, with each type of value-added service, etc.) on the Department's Power to Choose website. Each ESCO must guarantee to charge new customers no more than the price of the ESCO's posted offers at the time of the customer's agreement for each product.
  - e. Changes in personnel responsible for resolving consumer complaints received by the Department and referred to the ESCO.
5. An ESCO may be subject to the consequences listed in UBP-LI-ESCO Section 2.D.6.b for reasons, including, but not limited to:
  - a. false or misleading information in the application package;
  - b. failure to adhere to the policies and procedures described in its Sales Agreement;
  - c. failure to comply with required customer protections;
  - d. failure to comply with applicable NYISO requirements, reporting requirements, or Department oversight requirements;
  - e. failure to provide notice to the Department of any material changes in the information contained in the Retail Access Eligibility Form or application package;
  - f. failure to comply with the UBP-LI-ESCO terms and conditions, including discontinuance requirements;
  - g. failure to comply with EDI transaction set standards and processing protocols and/or use properly functioning EDI systems;
  - h. repeated failures to comply with price reporting requirements, reporting

---

<sup>1</sup> If the Power-to-Choose website is modified to allow ESCOs to file this information there, the Department may notify ESCOs that compliance with this provision may be accomplished in that manner.

- misleading price information, or continuing to fail to comply with price reporting requirements after withdrawal of eligibility to enroll new customers;
- i. failure to comply with the Commission's Environmental Disclosure Requirements or failure to comply with other Commission Orders, Rules or Regulations;
  - j. failure to reply to a complaint filed with the Department and referred to the ESCO within the timeframe established by the Department's Office of Consumer Services which is not less than five days;
  - k. any of the reasons stated in Subdivision F of this Section; or
  - l. a material pattern of consumer complaints on matters within the ESCO's control;
  - m. failure to comply with any federal, state, or local laws, rules, or regulations related to sales or marketing; or 'No Solicitation' signage on the premises; or
  - n. failure to comply with any of the Marketing Standards set forth in Section 10 of the UBP-LI-ESCO.
6. In determining the appropriate consequence for a failure or non-compliance in one or more of the categories set forth in UBP-LI-ESCO Section 2.D.5, the Commission or Department may take into account the nature, the circumstances, including the scope of harm to individual customers, and the gravity of the failure or non-compliance, as well as the ESCO's history of previous violations.
- a. The Commission or Department shall:
    1. Either (a) notify the ESCO in writing of its failure to comply and request that the ESCO take appropriate corrective action or provide remedies within the directed cure period, which will be based on a reasonable amount of time given the nature of the issue to be cured; or (b) order that the ESCO show cause why a consequence should not be imposed.
    2. The Commission may impose the consequences listed in subparagraph b of this paragraph if (a) ESCO fails to take corrective actions or provide remedies within the cure period; or (b) the Commission determines that the incident or incidents of non-compliance are substantiated and the consequence is appropriate.
    3. Consequences shall not be imposed until after the ESCO is provided notice and an opportunity to respond.
    4. The notice of consequences imposed by the Commission will be published on the Department's website.
  - b. Consequences for non-compliance in one or more of the categories set forth in UBP-LI-ESCO Section 2.D.5 may include one or more of the following restrictions on an ESCO's opportunity to sell electricity to retail customers:
    1. Suspension from a specific Commission approved retail program in either a specific service territory or all territories in New York;
    2. Suspension of the ability to enroll new customers in either a specific service territory or all service territories in New York;
    3. Imposition of a requirement to record all telephonic marketing presentations,

which shall be made available to the Department for review;

4. Reimbursements to customers who did not receive savings promised in the ESCO's sales agreement/Customer Disclosure Statement or substantially demonstrated to have been included in the ESCO's marketing presentation or to customers who incurred costs as a result of the ESCO's failure to comply with the marketing standards set forth in Section 10 of the UBP-LI-ESCO ;
  5. Release of customers from sales agreements without imposition of early termination fees;
  6. Revocation of an ESCO's eligibility to operate in New York; and,
  7. Any other measures that the Commission may deem appropriate.
- c. Consequences imposed pursuant to this paragraph shall continue to apply until the ESCO's failure to comply with the UBP-LI-ESCO has been cured or the Commission or Department has determined that no further cure is necessary.
7. An ESCO's eligibility to serve customers is valid unless: the ESCO abandons its eligibility status; or such status is revoked by the Commission through a final order pursuant to UBP-LI-ESCO Section 2.D.6.
  8. The Department shall notify the Authority upon notice to the ESCO, and the NYISO if applicable, of any determination to revoke an ESCO's eligibility to sell electricity. The Authority shall notify the ESCO's customers, in accordance with paragraph 3 of Subdivision F of this Section, of any Department revocation of an ESCO's eligibility.
- E. Authority Requirements
1. After receipt of the Department's compliance letter, the ESCO shall notify the Authority, and NYISO if applicable, of its eligibility status and intent to complete the process to commence operation in the Authority's service area, including execution of any operating agreement that is required.
  2. Upon satisfaction of the Authority's and, if applicable the NYISO's requirements, and successful completion of EDI testing conducted by the Authority, the ESCO shall enter into an operating agreement with the Authority to commence operations in its service territory. The Authority's requirements are set forth in the Tariff for Electric Service, Operating Procedures Manuals and associated Operating Agreement.
- F. Discontinuance of an ESCO's and Direct Retail Customer's Participation in a Retail Access Program
1. In accordance with the procedures established in this Subdivision, the Authority may discontinue an ESCO's or Direct Retail Customer's participation in its retail access program for the following reasons:
    - a. Failure to act that is likely to cause, or has caused, a significant risk or condition that compromises the safety, system security, or operational reliability of the Authority's system, and the ESCO or Direct Retail Customer failed to eliminate immediately the risk or condition upon verified receipt of a non-EDI notice;
    - b. Failure to pay an invoice upon the due date;
    - c. Failure to maintain a creditworthiness standard or provide required security;

- d. Failure to comply with the terms and conditions of the Authority's tariff, operating agreement, or the Authority's Long Island Choice Program Operating Procedures Manual to the extent that said documents are consistent with the provisions of the UBP-LI-ESCO ;
  - e. Discontinuance of an ESCO's or Direct Retail Customer's participation in the Authority's retail access program by the NYISO.
  - ef. Department of Public Service determination that an ESCO is not eligible to sell electricity to retail customers.
2. To initiate the discontinuance process, the Authority shall send a non-EDI discontinuance notice by overnight mail and verified receipt, to the ESCO or Direct Retail Customer and the Department. The notice shall contain the following information:
    - a. The reason, cure period, if any, and effective date for the discontinuance;
    - b. A statement that the Authority shall notify the ESCO's customers of the discontinuance if the ESCO fails to correct the deficiency described in the notice within the cure period, unless the Department directs the Authority to stop the discontinuance process;
    - c. The Authority may suspend the ESCO's right to enroll customers until correction of the deficiency; and
    - d. Correction of the deficiency within the cure period, or a Department directive, will end the discontinuance process.
  3. The Authority shall send notices to the ESCO's customers informing them of the discontinuance and providing the following information:
    - a. The discontinuance shall or did occur on one of the following dates selected by the Authority: the scheduled meter read date, the first day of the month, or another date, if readings are estimated, or on the date of a special meter read;
    - b. Customers have the option to select another ESCO or return to full utility service
    - c. Names and telephone numbers of ESCOs offering service to retail customers in the Authority's service territory;
    - d. Any ESCO selected by a customer may file an enrollment request on the customer's behalf with the Authority, and the Authority shall charge no fee for changing the customer's provider to the new ESCO; and,
    - e. During any interim between discontinuance of a customer's current ESCO and enrollment with a new ESCO, the Authority shall provide service under its applicable tariff, unless the Authority notified the customer that it is terminating its delivery services to the customer on or before the discontinuance date.
  4. The Authority shall submit a sample copy of its discontinuance notice to the Department for review and approval prior to distribution to customers.
  5. The Authority may request permission from the Department to expedite the discontinuance process, upon a showing that it is necessary for safe and adequate service or in the public interest. Any expeditious discontinuance process shall include the ESCO or Direct Retail Customer, and the Authority.
  6. Upon any discontinuance, an ESCO or Direct Retail Customer shall remain

responsible for payment or reimbursement of any and all sums owed under the Authority's Electric Service Tariff, any tariffs on file with the FERC and service agreements relating thereto, or any agreements between the ESCO and the Authority.

7. The notice requirements and time limits for the Authority to discontinue an ESCO's or Direct Retail Customer's participation in the Authority's retail access program (discontinue participation) are:
  - a. Upon the Authority determination that an ESCO's or Direct Retail Customer's action, or failure to act, is likely to cause, or has caused, a significant risk or condition that compromises the safety, system security, or operational reliability of the Authority's system and that the ESCO or Direct Retail Customer failed to eliminate immediately the risk or condition upon verified receipt of a non-EDI notice, the Authority may discontinue participation as soon as practicable.
  - b. Upon the Authority's determination that an ESCO or Direct Retail Customer failed to pay an invoice on the due date, as specified in the Authority's Electric Service Tariff, and the ESCO's or Direct Retail Customer's required security or credit limit is insufficient to cover the unpaid amount, with interest, the Authority may discontinue participation no sooner than ten business days (cure period) after receipt by the ESCO or Direct Retail Customer of a discontinuance notice. If the ESCO or Direct Retail Customer pays the amount due on or before the expiration of the cure period, the Authority shall stop the process to discontinue participation.
  - c. Upon the Authority's determination that an ESCO or Direct Retail Customer failed to provide or maintain a creditworthiness standard or required security, the Authority may initiate a discontinuance process no sooner than five business days (cure period) after receipt by the ESCO or Direct Retail Customer of a discontinuance notice. If the ESCO or Direct Retail Customer satisfies the creditworthiness standard or provides the required security on or before the expiration of the cure period, the Authority shall stop the discontinuance process. Upon a determination to continue with the discontinuance process because the ESCO or Direct Retail Customer failed to comply with the creditworthiness standard or provide adequate security, the Authority shall notify the ESCO or Direct Retail Customer that it will discontinue participation no later than 15 business days from the expiration of the cure period. The Authority shall notify the ESCO's customers that it will discontinue participation on or before 15 days from the expiration of the cure period. If a failure to comply with the creditworthiness standard or provide adequate security occurred twice during the past 12 months and the Authority sent a related discontinuance notice for each failure, it may discontinue participation no sooner than two business days after receipt by an ESCO or Direct Retail Customer of a discontinuance notice.
  - d. Upon the Authority's determination that an ESCO or Direct Retail Customer failed, except in force majeure conditions, to comply with any other applicable provision of the Authority's Electric Service Tariff, or operating agreement, the Authority may initiate a discontinuance process no sooner than ten business days (cure period) after receipt by the ESCO or Direct Retail Customer of a discontinuance notice. If the ESCO or Direct Retail Customer provides adequate assurances and a description of any necessary process changes that ensure

compliance on or before the expiration of the cure period, the Authority shall stop the discontinuance process. Upon a determination to continue the discontinuance process because the assurances and proposed process changes are inadequate, the Authority shall notify the ESCO or Direct Retail Customer that it will discontinue participation no later than 15 business days from the expiration of the cure period. The Authority shall notify the ESCO's customers that it will discontinue participation on or before the expiration of 15 business days after the end of the cure period.

**SECTION 3: CREDITWORTHINESS**

A. Applicability

This Section establishes creditworthiness standards that apply to ESCOs and Direct Retail Customers. An ESCO's and Direct Retail Customer's participation in the Authority's retail access program is contingent upon satisfaction of creditworthiness requirements and provision of any security.

B. ESCOs

1. An ESCO shall satisfy the Authority's creditworthiness requirements if:
  - a. The ESCO, or a guarantor, maintains a minimum rating from one of the rating agencies and no rating below the minimum from one of the other two rating agencies. For the purposes of this Section, minimum rating shall mean "BBB" from Standard & Poor's, "Baa2" from Moody's Investor Service, or "BBB" from Fitch Ratings (minimum rating); or,
  - b. The ESCO enters into a billing arrangement with the Authority, whereby the Authority bills customers on behalf of the ESCO and retains the funds it collects to offset any balancing and billing service charges provided that the Authority has a priority security interest with a first right of access to the funds. The ESCO shall submit an affidavit from a senior officer attesting to such utility interest and right. Except that an ESCO serving customers outside of such billing arrangement, must satisfy the security requirements of UBP-LI-ESCO Section 3.D with respect to those customers.
2. If an ESCO, or a guarantor, is not rated by Standard & Poor's, Moody's Investor Service or Fitch Ratings, it shall satisfy the Authority's creditworthiness requirements if the ESCO, or a guarantor:
  - a. Maintains a minimum "1A2" rating from Dun & Bradstreet (Dun and Bradstreet minimum rating) and the ESCO maintains 24 months good payment history with the Authority; and,
  - b. Provides any security required by the Authority, calculated in accordance with Subdivision D, after deduction of the following unsecured credit allowances:

<u>Rating</u>	<u>Unsecured Credit Allowance</u>
5A1 or 5A2	30% of an ESCO's tangible net worth, up to 5% of the Authority's average monthly revenues for the applicable service
4A1 or 4A2	30% of an ESCO's tangible net worth, up to 5% of the Authority's average monthly revenues for the applicable service

3A1 or 3A2	30% of an ESCO's tangible net worth, up to 5% of the Authority's average monthly revenues for the applicable service
2A1 or 2A2	50% of an ESCO's tangible net worth, up to \$500,000
1A1 or 1A2	50% of an ESCO's tangible net worth, up to \$375,000

An ESCO shall provide information, upon request of the Authority, to enable the Authority to verify the ESCO's equity. The Authority may request reasonable information to obtain the verification and shall safeguard it as confidential information and protect it from public disclosure. The Authority may deny the unsecured credit allowance to any ESCO that fails to provide the requested information.

3. The Authority may require an ESCO to provide and maintain security in the full amount of the Authority's credit risk, calculated in accordance with Subdivision D, if:
  - a. The ESCO, or a guarantor, is not rated;
  - b. The ESCO, or a guarantor, with a minimum rating is placed on credit watch with negative implications or is rated below the minimum rating;
  - c. The ESCO, or a guarantor, is rated below the Dun & Bradstreet minimum rating or the ESCO fails to maintain 24 months good payment history with the Authority; or
  - e.d. An ESCO issuing consolidated bills fails to render timely bills to customers or to make timely payments to the distribution utility. -
4. If the Authority's credit risk, associated with an ESCO's participation in its retail access program, exceeds 5% of the Authority's average monthly revenues for the applicable service, the Authority may require the ESCO, in addition to maintaining a minimum rating, to provide and maintain security in the amount of such excess credit risk.

#### C. Direct Retail Customers

A Direct Retail Customer shall satisfy the Authority's creditworthiness requirements if:

1. Its account is current and remained current for the past 12 months; and,
2. If its debt is rated, it maintains a minimum rating of its long-term unsecured debt securities from one of the rating agencies and no rating below the minimum rating from one of the other two rating agencies.

#### D. Calculation of Credit Risk and Security

The Authority shall calculate its credit risk and establish its security requirements as follows:

1. Delivery Service Risk
  - a. Upon an ESCO request, the Authority shall establish separate security requirements for summer (April 1 - October 31) and winter (November 1 - March 31) and may retain winter security until the end of two months (April and May) after the end of the winter period.

## 2. Major Change in Risk

- a. A major change shall mean a change in credit risk of more than the greater of 10% or \$200,000.
- b. The ESCO or Direct Retail Customer shall promptly notify the Authority and the Department of any major change in credit and or rating risk.
- c. The Authority may require an ESCO or a Direct Retail Customer, within five days, to provide additional amounts of security if a major change occurs to increase its credit risk, as follows:
  1. If Standard & Poors, Moody's Investor Service, or Fitch Ratings downgrades an ESCO's, or its guarantor's, rating or a Direct Retail Customer's debt below the minimum rating or Dun & Bradstreet downgrades an ESCO's, or its guarantor's, rating or a Direct Retail Customer's debt; or,
  2. An increase occurs in customer usage or in energy prices and such increase is sustained for at least 30 days.
- d. In the event that a major change occurs to decrease the Authority's credit and/or rating risk, results in compliance by an ESCO or Direct Retail Customer with creditworthiness requirements, and elimination of the basis for holding some or all of the security, the Authority shall return or release the excess amount of the ESCO's or Direct Retail Customer's security with accumulated interest, if applicable. The Authority shall return such amount within five business days after receipt of an ESCO or Direct Retail Customer notice informing the Authority of the occurrence of such major change.

## E. Security Instruments

1. The following financial arrangements are acceptable methods of providing security:
  - a. Deposit or prepayment, which shall accumulate interest at the applicable rate per annum approved by the Public Service Commission for "Customer Capital";
  - b. Standby irrevocable letter of credit or surety bond issued by a bank, insurance company or other financial institution with at least an "A" bond rating;
  - c. Security interest in collateral; or,
  - d. Guarantee by another party or entity with a credit rating of at least "BBB" by S&P, "Baa2" by Moody's, or "BBB" by Fitch; or
  - e. Other means of providing or establishing adequate security.
2. The Authority may refuse to accept any of these methods for just cause provided that its policy is applied in a nondiscriminatory manner to any ESCO.
3. If the credit rating of a bank, insurance company, or other financial institution that issues a letter of credit or surety bond to an ESCO or a Direct Retail Customer falls below an "A" rating, the Authority shall allow a minimum of five business days for an ESCO or a Direct Retail Customer to obtain a substitute letter of credit or surety bond from an "A" rated bank, insurance company, or other financial institution.

## F. Lockbox

If the Authority and ESCO arrange for a lockbox, security requirements are reduced by 50%

provided that the arrangement includes the following:

1. Agreement on allocation of funds and the first right of the Authority, in the event of an ESCO's financial difficulty, to obtain funds in the lockbox deposited to the credit of the ESCO;
2. Establishment of rules for managing the lockbox;
3. Agreement on conditions for terminating the lockbox for non-compliance with the rules or for failure to receive customer payments on a timely basis; and,
4. Responsibility of an ESCO for any costs associated with implementing and administering the lockbox.

G. Calling on Security

1. If an ESCO or Direct Retail Customer fails to pay the Authority, in accordance with UPB Section 7, Invoices, the Authority may draw from security provided that the Authority notifies the ESCO or Direct Retail Customer five business days' in advance of the withdrawal and the ESCO or Direct Retail Customer fails to make full payment before the expiration of the five business days.
2. If an ESCO receives a discontinuance notice or elects to discontinue service to customers and owes amounts to the Authority, the Authority may draw from the security provided by the ESCO without prior notice.
3. If an ESCO files a petition or an involuntary petition is filed against an ESCO under the laws pertaining to bankruptcy, the Authority may draw from security, to the extent permitted by applicable law.

H. Application by the Authority

1. Within ten business days after receipt of a complete ESCO application, the Authority shall complete its evaluation of initial creditworthiness, state the rationale for its determination, and provide the calculation supporting the credit limit and any resulting security requirement.
2. The Authority shall perform, at least annually, an evaluation, at no charge, of an ESCO's satisfaction of creditworthiness standards and security requirements.
3. The Authority shall perform evaluations of creditworthiness, security requirements, and security calculations in a non-discriminatory and reasonable manner.
4. Pending resolution of any dispute, the ESCO or Direct Retail Customer shall provide requested security within the time required in this Section.
5. The Authority may reduce or eliminate any security requirement provided that it reduces or eliminates the requirement in a nondiscriminatory manner for any ESCO or Direct Retail Customer. The Authority may request reasonable information to evaluate credit risk. If an ESCO or Direct Retail Customer fails to provide the requested information, the Authority may deny the ESCO or Direct Retail Customer an opportunity to provide lower or no security.

## **SECTION 4: CUSTOMER INFORMATION**

### A. Applicability

This Section establishes practices for release of customer information by the Authority to ESCOs and Direct Retail Customers and identifies the content of information sets. The Authority and an ESCO shall use EDI standards, to the extent developed, for transmittal of customer information and may transmit data, in addition to the minimum information required, via EDI or by means of an alternative system.

### B. Customer Authorization Process

The Authority shall provide information about a specific customer requested by an ESCO authorized by the customer to receive the information.

1. An ESCO shall obtain customer authorization to request information, in accordance with the procedures in UBP-LI-ESCO Section 5, Changes in Service Providers, Attachments 1, 2, and 3. An ESCO shall inform its customers of the types of information to be obtained, to whom it will be given, how it will be used, and how long the authorizations will be valid. The authorization is valid for no longer than six months unless the sales agreement provides for a longer time.
2. The Authority shall assume that an ESCO obtained proper customer authorization if the ESCO is eligible to provide service and submits a valid information request.
3. An ESCO shall retain, for a minimum of two years or for the length of the sales agreement whichever is longer, verifiable proof of authorization for each customer. Verification records shall be provided by an ESCO, upon request of the Department, within five calendar days after a request is made. Locations for storage of the records shall be at the discretion of the ESCOs.
4. Upon request of a customer, the Authority shall block access by ESCOs to information about the customer.
5. An ESCO and its agent shall comply with statutory and regulatory requirements pertaining to applicable state and federal do-not-call registries.

### C. Customer Information Provided to ESCOs

1. Release of Information. The Authority shall use the following practices for transferring customer information to an ESCO:
  - a. The Authority shall provide the information in the Billing Determinant Information Set upon acceptance of an ESCO's enrollment request and the information in the Customer Contact Information Set and the Credit Information Set, upon ESCO request.
  - b. The Authority shall respond within two business days to valid requests for information as established in EDI transaction standards and within five business days to requests for data and information for which an EDI transaction standard is not available. The Authority shall provide the reason for rejection of any valid information request.
2. Customer Contact Information Set. The Authority, to the extent it possesses the information, shall provide, upon an ESCO request, consumption history for an electric account.

- a. Consumption history<sup>1</sup> for an electric account shall include:
  1. Customer's service address;
  2. Electric account indicator;
  3. Sales tax district used by the Authority and whether the utility identifies the customer as tax exempt;
  4. Rate service class and subclass or rider by account and by meter, where applicable;
  5. Electric load profile reference category or code, if not based on service class, or Installed Capacity (ICAP) tag, which indicates the customer's coincident peak electricity demand;
  6. Customer's number of meters and meter numbers;
  7. Usage type (e.g., kWh), reporting period, and type of consumption (actual, estimated, or billed);
  8. Whether the customer's supply service is currently provided by the utility;
  9. 12 months, or the life of the account, whichever is less, of customer data via EDI and, upon separate request, an additional 12 months, or the life of the account, whichever is less, of customer data via EDI or an alternative system at the discretion of the Authority, and, where applicable, demand information;<sup>2</sup> if the customer has more than one meter associated with an account, the Authority shall provide the applicable information, if available, for each meter; and
  10. Usage data in summary form (billing determinants aggregated in the rating periods defined under the Authority's tariffs for that customer's service classification) via EDI, and if electronic interval data is requested in detail, via an acceptable alternative electronic format.
3. Billing Determinant Information Set. Upon acceptance of an ESCO enrollment request, the Authority shall provide the following billing information for an electric account, as applicable<sup>3</sup>:
  - a. Customer's service address, and billing address, if different;
  - b. Electric account indicator;
  - c. Meter reading date or cycle and reporting period;
  - d. Billing date or cycle and billing period;
  - e. Meter number, if available;
  - f. Authority rate class and subclass, by meter;
  - g. Description of usage measurement type and reporting period;

---

<sup>1</sup> The Authority, in addition to EDI transmittal, may provide Web based access to customer history information via the My Account feature (<https://myaccount.psegliny.com/user/registration>) for those customers with an AMI enabled meter. The meter data can be downloaded in Green Button format by the customer or they can provide access to a third party to register and login to download the data.

<sup>2</sup> The Authority may provide data for a standard 24 months or life of the account, whichever is less, as part of its Customer Contract Information Set.

<sup>3</sup> As specified in the EDI standard for an enrollment request and response, the Authority may transmit additional data elements, based upon the request, the responding Authority

h. Customer's load profile group, for electric accounts only;

i. Life support equipment indicator

+j. Customer's location based marginal pricing zone, for electric accounts only; and,

j.k. Budget billing indicator.<sup>4</sup>

4. Credit Information Set. The Authority shall provide credit information for the most recent 24 months or life of the account, whichever is less, upon receipt of an ESCO's electronic or written affirmation that the customer provided authorization for release of the information to the ESCO. Credit information shall include number of times a late payment charge was assessed and incidents of service disconnection.

D. Direct Retail Customer Information

A Direct Retail Customer shall receive usage data and any subsequent changes, corrections and adjustments to previously supplied data, and estimated consumption for a period, at the same time that the Authority validates them for use. The Authority shall make available, upon request, to an electric Direct Retail Customer, a class load profile for its service class.

E. Charges for Customer Information

The Authority shall impose charges upon ESCOs or Direct Retail Customers for provision of the information described in this Section. The Authority may impose an incremental cost-based fee, authorized in tariffs for an ESCO's request for customer data for a period in excess of 24 months or for detailed interval data per account for any length of time.

F. Unauthorized Information Release

An ESCO, its employees, agents, and designees, are prohibited from selling, disclosing or providing any customer information obtained from the Authority, in accordance with this Section, to others, including their affiliates, unless such sale, disclosure or provision is required to facilitate or maintain service to the customer or is specifically authorized by the customer or required by legal authority. If such authorization is requested from the customer, the ESCO shall, prior to authorization describe to the customer the information it intends to release and the recipient of the information.

---

<sup>4</sup> This indicator is limited to 12 month levelized payment plans and does not include other payment plans.

## SECTION 5: CHANGES IN SERVICE PROVIDERS

### A. Applicability

This Section establishes practices for receiving, processing, and fulfilling requests for changing a customer's electricity provider and for obtaining a customer's authorization for the change. A change in a provider includes transfer from: (1) one ESCO to another; and (2) an ESCO to the Authority. This Section also establishes practices for: an ESCO's drop of a customer or a customer's drop of an ESCO, retention of an ESCO after a customer's relocation within the Authority's service area, assignment of a customer, and initiation or discontinuance of procurement of electricity supplies by a Direct Retail Customer. This Section does not establish practices for obtaining other energy-related services or changing billing options.

The process of changing a service provider is comprised of two steps. For enrollment with an ESCO, the first step is obtaining customer agreement, and any required third-party verification, to accept electric service according to the terms and conditions of an offer. A sales agreement establishes the terms and conditions of the customer's business arrangement with the ESCO. The second step is enrollment and the Authority's modification of its records to list the customer's transfer to a provider on a specific date. The second step is primarily between the ESCO and the Authority.

### B. Customer Agreement

An ESCO, ~~or~~ its agent, an Energy Broker, or an Energy Consultant may solicit and enter into a sales agreement with a customer subject to the following requirements.

1. The ESCO, an Energy Broker, or an Energy Consultant shall obtain a customer agreement to initiate service and enroll a customer and customer authorization to release information to the ESCO by means of one of the following methods.
  - a. Telephone agreement and authorization, preceded, or followed within three business days, by provision of a sales agreement, in accordance with requirements in Attachment 1 – Telephonic Agreement and Authorization/Third Party Verification Requirements;
  - b. Electronic agreement and authorization, attached to an electronic version of the sales agreement, in accordance with requirements in Attachment 2 – Electronic Agreement and Authorization Requirements; or
  - c. Written agreement bearing a customer's signature on a sales agreement (original or fax copy of a signed document), in accordance with requirements in Attachment 3 – Written Agreement and Authorization Requirements.
2. For any sale resulting from either door-to-door or telephonic marketing, each enrollment is only valid with an independent third-party verification.
3. The ESCO shall provide residential customers the right to cancel a sales agreement within three business days after its receipt (cancellation period).
4. The standard Sales Agreements for each customer class shall include the following information written in plain language:
  - a. Terms and conditions applicable to the business relationship between the ESCO and the customer which includes:
    1. provisions governing the process for rescinding or terminating an agreement by the ESCO or the customer including provisions stating that a residential

- customer may rescind the agreement within three business days after its receipt;
2. the placeholder for the price or how the price is determined, the terms and conditions of the agreement, including the term and end date, if any, of the agreement, the amount of the termination fee and the method of calculating the termination fee, if any, the amount of late payment fees, if applicable, and the provisions, if any, for the renewal of the agreement; and,
  3. a clear description of the conditions, if any, that must be present in order for savings to be provided to the customer, if savings are guaranteed.
- b. Such contract shall also include on the first page thereof a Customer Disclosure Statement (the Statement). The text within this Statement shall state in plain language the terms and conditions described above and set forth in Attachment 4 – Sample Customer Disclosure Statement. When the form contract is used by the ESCO as its agreement with the customer, the Customer Disclosure Statement shall also contain the price term of the agreement. In the event that the text in the Statement differs from or is in conflict with a term stated elsewhere in the agreement, the term described by the text in the Statement shall constitute the agreement with the customer notwithstanding a conflicting term expressed elsewhere in the agreement.
  - c. Procedures for resolving disputes between the ESCO and a customer;
  - d. Consumer protections provided by the ESCO to the customer;
  - e. Method for applying payments and consequences of non-payment;
  - f. Any charges and fees, services, options or products offered by the ESCO;
  - g. Department contact information, including the Department ESCO hotline at 1- 888-697-7728;
  - h. ESCO contact information, including a local or toll-free number from the customer's service location, and procedures used for after-hours contacts and emergency contacts, including transfer of emergency calls directly to the Authority and/or an answering machine message that includes an emergency number for direct contact with the Authority.
  - i. A statement that the ESCO shall provide at least 15 calendar days' notice prior to any cancellation of service to a customer; and
  - j. If a condition of service, a statement that the ESCO reserves the right to assign the contract to another ESCO.
  - j.k. A disclosure of the form, amount and/or method of compensation provided to an Energy Broker or Energy Consultant if such compensation is collected through the ESCO customer agreement or is paid to the Energy Broker or Energy Consultant by the ESCO.
5. Additional terms and conditions applicable to residential customers and customers solicited via door-to-door sales include:
    - a. Prepayments – no agreement for the provision of energy by an ESCO shall require a prepayment.
    - b. Termination fees – no agreement for the provision of energy by an ESCO shall

require a termination or early cancellation fee in excess of either a) \$100 for any contract with a remaining term of less than 12 months; or b) \$200 for any contract with a remaining term of more than 12 months or; c) twice the estimated bill for energy services for an average month, provided that an estimate of an average monthly bill was provided to the customer when the offer was made by the ESCO along with the amount of any early termination fee. To calculate such average monthly bill, the ESCO may use an average of the customer's actual usage for the previous twelve months or if such data is unavailable at the time the offer is made apply the usage for a typical customer in that service classification as reported by the Authority or the Commission, and multiply it by the ESCO's estimate of the average annual rate that will be charged under the agreement.

- c. Variable charges – all variable charges must be clearly and conspicuously identified in all contracts, sales agreements and marketing materials.
- d. Material changes to and renewals of customer agreements– no material changes shall be made in the terms or duration of any contract for the provision of energy by an ESCO without the express consent of the customer obtained under the methods authorized in the UBP-LI-ESCO. This shall not restrict an ESCO from renewing a contract by clearly informing the customer in writing, not less than thirty days nor more than sixty days prior to the renewal date, of the renewal terms and the customer's option to reject the renewal terms. A customer shall not be charged a termination fee as set forth in Section 5.B.3.1.a herein, if the customer's express consent has not been obtained to any change in material terms and conditions, or if the customer objects to such renewal within three business days of receipt of the first billing statement under the agreement as renewed. ~~Regarding contract renewals or an initial sales agreement that specifies that the agreement automatically renews, A~~all changes to the terms of the contract, including changes to the price, supply rate, product or service type, will be considered material and will require that the ESCO obtain the customer's express consent for renewal. ~~Notwithstanding the forgoing, when an agreement renews as part of a month-to-month product which guaranteed savings compared to the Authority price, or renews to a new product which guaranteed savings compared to the Authority price, the customer's express consent for renewal is not required.~~
- e. An ESCO shall retain, for a minimum of two years or for the length of the sales/renewal agreement whichever is longer, verifiable proof of a customer's express consent for renewal.
- e.f. A renewal notice in the standardized format provided by the Department, must be used. In any notice regarding contract renewal, the provider shall disclose the following information as it exists at the time of such notice: (i) the price the provider currently charges for energy services; (ii) the price it proposes to charge upon renewal; (iii) the price that is charged by the customer's distribution utility; and (iv) information notifying the customer how they may compare past bills with what they would have been charged had they received energy services from their respective distribution utility, including, the internet address of any bill calculator offered on such customer's distribution utility's website.
- f.g. The renewal notice must be enclosed in an envelope which states in bold lettering:

"IMPORTANT: YOUR [ESCO NAME] CONTRACT RENEWAL OFFER IS ENCLOSED. THIS MAY AFFECT THE PRICE YOU PAY FOR ENERGY SUPPLY."

~~g-h~~. When a fixed-rate agreement is renewed as a fixed-rate agreement, the ESCO shall provide the customer with an additional notice before the issuance of the first billing statement under the terms of the contract as renewed, but not more than 10 days prior to the date of the issuance of that bill. This notice shall inform the customer of the new rate and of his or her opportunity to object to the renewal, without the imposition of any early termination fees, within three days of receiving the first billing statement under the terms of the contract as renewed.

C. Provision of List of ESCOs to Customers

The Authority shall offer to provide a customer who requests initiation of delivery service with an up-to-date list of ESCOs and provide the list at any time, upon request of any customer.

D. Customer Enrollment Procedures

1. An ESCO shall transmit:
  - a. An electric enrollment request to the Authority no later than 5 business days prior to the effective date of the enrollment, which is the first of each month
  - b. The enrollment request shall contain at a minimum, the information required for processing set forth in Attachment 5, Enrollment Request.
  - c. For ReCharge NY Customers, a non-EDI enrollment process will be utilized.
2. The Authority shall process enrollment requests in the order received. In the case of ReCharge NY Customers, the billing cycle date will be changed to the first of each month.
3. The Authority shall accept only one valid enrollment request<sup>18+</sup> per customer during a switching cycle. If the Authority receives multiple enrollment requests for the same customer during a switching cycle, it shall accept the first valid enrollment request and reject subsequent requests.
4. An ESCO shall submit an enrollment request after it obtains customer authorization, and third-party verification where required, and it has provided the sales agreement to the customer. For telephonic enrollments, in which the ESCO sends the customer the sales agreement via US Mail, the ESCO shall provide for two business days for the customer to receive the sales agreement.
5. After receipt of an enrollment request, the Authority shall, within one business day, acknowledge its receipt, and provide a response indicating rejection and the reason, or acceptance and the effective date for the change of provider. For non-EDI enrollments, the Authority shall acknowledge the enrollment request within five (5) business days.
6. Upon acceptance of an enrollment request, the Authority shall contemporaneously send a notice to the incumbent ESCO that the customer's service with that ESCO will be terminated on the effective date of the new enrollment. In the event that the

<sup>18</sup> Criteria for determining the validity of an EDI transaction are described in the EDI processing protocols adopted in Case 98-M-0667, Electronic Data Interchange.

Authority receives notice from the pending ESCO, the incumbent ESCO (with specific customer authorization for each cancellation), or the customer, prior to the effective date that a pending enrollment is cancelled, the Authority shall transmit a request to reinstate service to the incumbent ESCO, unless the incumbent ESCO previously terminated service to the customer or the customer requests a return to full utility service.

7. With the exception of a new installation, use of an interim estimate of consumption or a special meter reading, a change of providers is effective: on the first day of any month, after providing the Authority an electronic enrollment request no later than 5 business days after receipt of an enrollment request. Service to new delivery customers is effective after the installation is complete and, if necessary, inspected.

#### E. Customer Notification

1. The Authority shall send no later than one calendar day after acceptance of an enrollment request a verification letter to the customer notifying the customer of the acceptance. The notice shall inform the customer that if the enrollment is unauthorized or the customer decides to cancel it, the customer is required immediately to so notify the Authority and the pending ESCO.
2. Upon receipt of such cancellation, the Authority shall cancel the pending enrollment and reinstate the customer with the incumbent ESCO, if any, or the Authority, provided that the Authority is notified prior to the planned effective date. If the Authority is notified on or after the planned effective date, the change to the new provider shall occur and remain effective for one billing cycle. The customer shall return to full utility service at the end of the next switching cycle, unless the customer is enrolled by another ESCO in accordance with this section prior to the next switching cycle.
3. If a customer notifies the pending ESCO of such cancellation, the pending ESCO shall send a customer's drop request to the Authority within one business day.

#### F. Rejection of Enrollment Requests

The Authority may reject an enrollment request for any of the following reasons:

1. Inability to validate the transaction;
2. Missing or inaccurate data in the enrollment request;
3. ESCO's ineligibility to provide service in the specified territory;
4. No active or pending delivery service;
5. A pending valid prior enrollment request; or
6. The account is coded as ineligible for switching.

#### G. Customer Relocations Within a Service Territory

1. A customer requesting relocation of service within the Authority's service territory and continuation of its ESCO service, arranges for continuation at the new location of delivery service by contacting the Authority and of supply service by contacting the ESCO. Each provider contacted by the customer shall remind the customer of the need to contact the other provider to initiate the change in service or arrange for a conference call with the other provider and customer, and within two days, notify the other provider that a customer requested relocation of service.

2. The Authority's representative shall inform the customer, or the customer's agent, and the ESCO of the effective dates, contingent upon the customer's approval, for discontinuance of service at one location and commencement of service at the new location. The ESCO shall confirm to the Authority that it shall continue service to the customer at the new location.
3. In the event that the ESCO is unable or does not wish to continue service to the customer at the new location, the Authority shall provide full utility service to the customer.

#### H. Customers Returning to Full Utility Service

1. A customer arranges for a return to full utility service by contacting either the ESCO or the Authority in accordance with this paragraph. An ESCO contacted by the customer shall, within one business day, process the customer's request to return to full utility service. A utility contacted by a customer shall remind the customer to contact the ESCO about the customer's returning to full utility service provided, however, that if the customer has already contacted the ESCO or wants to proceed without contacting the ESCO, the utility shall, within one business day, process the customer's request to return to full utility service. If a change to full utility service results in restrictions on the customer's right to choose another supplier or application of a rate that is different than the one applicable to other full-service customers, the Authority shall provide advance notice to the customer.
2. A Direct Retail Customer that intends to change from procuring its own supplies to full utility service shall notify the Authority.
3. No ESCO shall transfer 5,000 or more customers during a billing cycle to full utility service, unless it provides no less than 60 calendar days' notice to the Authority and Department. The transfers shall occur on the customers' regularly scheduled meter reading dates, unless the Authority and ESCO agree to a different schedule.
4. The following process sets forth the steps for an ESCO's return of a customer to full utility service.
  - a. An ESCO may discontinue service to a customer and return the customer to full utility service provided that the ESCO notifies the customer and the Authority no later than 15 calendar days before the effective date of the drop. The ESCO's right to discontinue service to any customer is subject to any limitations contained in its sales agreement.
  - b. An ESCO's notice to retail customers shall provide the following information:
    1. Effective date of the discontinuance, established by the Authority;
    2. Statement that the customer has the option to select another ESCO receive full utility service from the Authority, or, if available in the Authority's service area and the customer is eligible, accept random assignment by the distribution utility to an ESCO; and,
    3. Statement that customer shall receive full utility service until the customer selects a new ESCO and the change in providers is effective, unless the Authority notified the customer that it will terminate its delivery service on or before the discontinuance date.
  - c. The ESCO shall provide a sample form of the notice it plans to send to its

customers when it transfers 5,000 or more customers to the Department for review no later than five calendar days before mailing the notice to customers.

#### I. New Delivery Customers

1. A customer may initiate Authority delivery service and subsequently enter into a customer agreement with an ESCO for supply or arrange for both services at the same time.
2. A customer may authorize an ESCO, Energy Broker, or Energy Consultant to act as the customer's agent (~~ESCO agent~~) in establishing Authority service. The ~~ESCO~~ agent shall retain, and produce upon request, documentation that the customer authorized the ESCO, Energy Broker, or Energy Consultant to act as the customer's agent.
3. An ESCO, Energy Broker, or Energy Consultant acting as a customer's agent shall establish a new delivery account on behalf of the customer and enroll the customer with the Authority so that ESCO supply service commences when Authority delivery service begins. The ESCO, Energy Broker, or Energy Consultant shall retain, and produce upon request, documentation that the customer authorized the ESCO, Energy Broker, or Energy Consultant to act as the customer's agent. An ESCO, Energy Broker, or Energy Consultant that is a customer's agent is authorized to submit the customer's application for new delivery service, in compliance with requirements for such applications stated in the law, rules and Authority tariff. An ESCO, Energy Broker, or Energy Consultant shall provide the customer's name, service address and, if different, mailing address, telephone number, customer's requested service date for initiation of delivery service, and information about any special need customers, including any need for life support equipment. An ESCO, Energy Broker, or Energy Consultant shall refer a customer directly to the Authority for arrangement of distribution related matters, such as contribution-in-aid of construction and construction of facilities necessary to provide delivery service and settling of arrears and posting security.
4. Upon a customer's application for service, the Authority shall provide an ESCO, Energy Broker, or Energy Consultant with the effective date for initiation of delivery service and any other customer information provided to an ESCO, Energy Broker, or Energy Consultant in an acceptance of an enrollment request. The Authority may notify the customer of the acceptance.

#### J. Multiple Assignments of Sales Agreements

1. An ESCO may assign all or a portion of its sales agreements to other ESCOs provided that the assigned sales agreements clearly authorize such assignments or the ESCO provides notice to its customers prior to the assignments and an opportunity for each customer to choose another ESCO or return to full utility service. An ESCO shall provide a written notice no later than 30 calendar days prior to the assignment or transfer date to each customer and the Authority. The notice to the Authority shall include a copy of the assignment document, with financial information redacted, executed by the officers of the involved ESCOs, and a copy of the notice sent to the customer, or, if a form notice, a copy of the form and a list of recipients.
2. The assignment documents shall specify the party responsible for payment or reimbursement of any and all sums owed under any Authority tariff or Federal Energy

Regulatory Commission tariff and any service agreements relating thereto, and under any agreements between ESCOs and the Authority and between ESCOs and their customers.

3. An ESCO's notices to customers shall provide the following information:
    - a. Effective date of the assignment;
    - b. The name, mailing and e-mail addresses, and telephone number of the assigned ESCO; and,
    - c. Any changes in the prices, terms and conditions of service, to the extent permitted by the sales agreement.
  4. The ESCO shall provide sample forms and any major modifications of such notices to the Department for review no later than five calendar days before mailing them to customers.
  5. The Authority shall, within two business days after receipt of an assignment request, acknowledge and initiate processing of the request and send written notice of the request to the ESCO's assigned customer.
- K. Unauthorized Customer Transfers
1. A change of a customer to another energy provider without the customer's authorization, commonly known as slamming, is not permitted. The Authority will report slamming allegations to the Department on at least a monthly basis.
  2. An ESCO that engages in slamming shall refund to a customer the difference between charges imposed by the slamming ESCO that exceed the amount the customer would have paid its incumbent provider and pay any reasonable costs incurred by the Authority to change the customer's provider from the ESCO that engaged in slamming to another provider.
  3. ESCOs shall retain two years or for the length of the sales agreement whichever is longer, documentation of a customer's authorization to change providers. Such documentation shall comply with the requirements described in Attachments 1, 2 or 3.
- L. Lists of ESCO Customers, Budget Billing, Charges and Fees
1. The Authority, upon an ESCO's request, shall provide at no charge, once each calendar quarter, a list of the ESCO's customers at the time of the request and, monthly, the number of accounts enrolled with an ESCO and the ESCO's sales (kWh).
  2. The Authority shall adjust its bills rendered under a budget billing plan on the effective date for changing a provider and include the adjustments in the customer's next bill.
  3. Upon enrollment of the Authority customer with an ESCO or return of an ESCO customer to full utility service, the Authority shall impose no restrictions on the number or frequency of changes of electricity providers, except as provided in this paragraph. The Authority shall accept only one valid enrollment request per customer during a switching cycle. If multiple requests are received for the same customer during a switching cycle, the Authority shall accept the first valid

enrollment request and reject subsequent enrollment requests.

4. The Authority shall impose no charge for changing a customer's electricity provider.
5. The Authority may establish a fee in its tariffs for a special meter reading.

**Attachment 1****Telephonic Agreement and Authorization/Third Party Verification Requirements**

- A. A voice-recorded verification is required to enter into a telephonic agreement or a door to door agreement, with a customer to initiate service and begin enrollment. Use of either an Independent Third Party or an Integrated Voice Response system to obtain customer authorization is required for any telephone solicitation or sales resulting from door-to-door marketing. Verification by an Independent Third Party or an Integrated Voice Response system shall be recorded and conducted without the ESCO marketing representative's presence, either on the telephone or in person. A voice-recorded verification shall verify the following information to substantiate the customer's agreement or authorization:
1. Do you understand that this conversation is recorded and that oral acceptance of the [ESCO name]'s offer is an agreement to initiate service and begin enrollment?
  2. Is it [specific date] at [specific time]?
  3. Do you understand that the marketing representative represents [specific ESCO] and that [specific ESCO] is not the Authority?
  4. If the sale was conducted through door-to-door marketing, has the marketer left the premises?
  5. Are you [specify customer's name]/Please state your name (or is your company name [specify company name]/Please state your company's name)?
  6. Do you live at [specific address]/Please state your address (or is your company located at [specify company address]/Please state your company's address)?
  7. Is your email address [specific e-mail address] /Please provide your email address (if the customer chose to provide it)?
  8. Is your Authority account number [specify account number]/ Please state your Authority account number?
  9. Are you the primary account holder or do you have authority to make changes to this account?
  10. If the sale was conducted through door-to-door marketing: did the ESCO marketing representative provide you with the sales agreement, his/her business card or contact information and leave a copy of the ESCO Consumer Bill of Rights?
  11. If the sale was conducted through telemarketing: did the ESCO marketing representative offer to mail you a copy of the ESCO Consumer Bill of Rights or did the ESCO marketing representative tell you how to find the ESCO Consumer Bill of Rights online?
  12. Did you agree to the terms of service as reviewed with you by the [ESCO name] representative on [INSERT ENROLLMENT DATE]?
    - a. The price of\_\_\_\_(electricity) under the contract is

- \_\_\_ for \_\_\_ months (years).
- b. Or the price of \_\_\_ (electricity) under the contract is a variable rate and will vary month-to-month.
  - c. The early termination fee (if any) is \_\_\_ (this may be a methodology instead of a dollar amount).
13. If savings is guaranteed (compared to the utility rate), a plain description of the type of savings and the conditions that must be present in order for the customer to be eligible for savings. If savings is not guaranteed (as compared to the utility supply service) a statement indicating such;
  14. Please be advised that energy supply will be provided by the ESCO, and that energy delivery shall continue to be provided by your utility and the utility will also be available to respond other emergencies should they occur;
  15. Do you authorize the release of the following information from your Authority: [specify information] and do you understand that you may rescind this authorization at any time by calling [specify toll free number] or e-mailing [specify e-mail address]?
  16. For residential enrollments only: Do you understand that you may rescind the agreement within three business days after its receipt by [describe how such rescission can be accomplished] and if you do not rescind the agreement, an enforceable agreement will be created?
- B. The ESCO, ~~or~~ its agent, an Energy Broker, or an Energy Consultant shall provide a copy of any Customer Disclosure Statement and sales agreement to the customer by mail, e-mail or fax within three business days after the telephone agreement and independent third-party verification occurs. The sales agreement shall set forth the customer's rights and responsibilities and describe the offer in detail, including the specific prices, terms, and conditions of ESCO service. Such agreement shall be substantially the same, in form and content, as the sample contract submitted to the Department pursuant to Section 2.B.1.b.
- C. The independent third-party verification shall be conducted in the same language used in marketing or sales materials presented to the customer and communicated clearly and in plain language.
- D. An ESCO, Energy Broker, or Energy Consultant shall retain independent third-party verification records for two years from the effective date of the agreement and/or authorization or for the length of the sales agreement whichever is longer. In the event of any dispute involving agreement, authorization and/or the independent third-party verification, the ESCO, Energy Broker, or Energy Consultant shall make available the audio recording of the customer's agreement and/or authorization, including the independent third-party verification within five business days after a request from the Department.

**Attachment 2****Electronic Agreement and Authorization Requirements**

- A. To enter into an electronic agreement with a customer to initiate service and begin enrollment or to obtain customer authorization for release of information, an ESCO, ~~or its~~ agent, an -Energy Broker, or Energy Consultant shall electronically record communications with the potential customer. As required in Section 5, the Electronic Agreement and authorization may also require an independent third-party verification call, which must include the information in Attachment 1. An ESCO, Energy Broker, or Energy Consultant shall provide the following electronic information, as applicable, to substantiate the customer's agreement and/or authorization:
1. A statement that electronic acceptance of a sales agreement is an agreement to initiate service and begin enrollment;
  2. The Customer Disclosure Statement and the sales agreement containing the prices, terms and conditions applicable to the customer, which, if printed as a physical document, would be substantially the same, in form, and content, as the sample contract submitted to the Department pursuant to Section 2.B.1.b.
  3. If savings are guaranteed, or guaranteed under only certain circumstances, the ESCO must provide a written statement which includes a plain language description of the conditions that must be present in order for the savings to be provided;
  4. An identification number and date to allow the customer to verify the specific sales agreement to which the customer assents;
  5. A statement from the ESCO that energy supply will be provided by the ESCO, and that energy delivery shall continue to be provided by the customer's utility; and that said utility will also be available to respond to other emergencies should they occur;
  6. A requirement that the customer accept or not accept the sales agreement by clicking the appropriate box, displayed as part of the terms and conditions; after the customer clicks the appropriate box to accept the sales agreement, the system shall display a conspicuous notice that the ESCO accepts the customer;
  7. Use of an electronic process that prompts a customer to print or save the sales agreement and provides an option for the customer to request a hard copy of the sales agreement; an ESCO shall send the hard copy by mail within three business days after a customer's request;
  8. A description of the types of information that the ESCO needs to obtain from the Authority and the purposes of its use, a request that the customer provide authorization for release of this information, and the effective duration of the authorization;
  9. A requirement that the customer agree or not agree to provide such authorization by clicking the appropriate box, displayed as part of the terms and conditions;
  10. A statement that a residential customer may rescind the agreement and authorization within three business days after electronic acceptance of the sale agreement; a

statement that a customer may rescind the authorization for release of information at any time; provision of a local or toll-free telephone number, and/or an e-mail address for these purposes; upon cancellation of the agreement, the ESCO shall provide a cancellation number;

11. Verification of the date and time of the electronic agreement and authorization; and

12. Provision by the customer of the customer's name, address, Authority customer account number, and any additional information to verify the customer's identity.

- B. The ESCO, Energy Broker, or Energy Consultant shall, within three business days of any final agreement to initiate service to a customer, send an electronic confirmation notice to the customer at the customer's e-mail address.
- C. The ESCO, Energy Broker, or Energy Consultant shall use an encryption standard that ensures the privacy of electronically transferred customer information, including information relating to enrollment, renewal, re-negotiation, and cancellation.
- D. Upon request of a customer, the ESCO, Energy Broker, or Energy Consultant shall make available additional copies of the sales agreement throughout its duration. An ESCO shall provide a toll-free telephone number and e-mail address for a customer to request a copy of the sales agreement.
- E. An ESCO, Energy Broker, or Energy Consultant shall retain documentation of a customer's agreement in a retrievable format for two years from the effective date of the customer's acceptance and/or authorization or for the length of the sales agreement whichever is longer. In the event of any dispute involving an electronic agreement or authorization, the ESCO, Energy Broker, or Energy Consultant shall provide a copy of the customer's acceptance of the sales agreement and/or authorization for release of information or provide on-line access to the acceptance and/or authorization within five calendar days after a request from the Department.

**Attachment 3****Written Agreement and Authorization Requirements**

- A. An ESCO, Energy Broker, or Energy Consultant may enter into a written agreement (original or fax copy of a signed document) with a customer to initiate service and begin enrollment or to obtain customer authorization for release of information. As required in Section 5, the Electronic Agreement and authorization may also require an independent third-party verification call, which must include the information in Attachment 1. A sales agreement shall contain, in addition to the Customer Disclosure Statement discussed in UBP-LI-ESCO Section 2.B.1.b.2, the following information, as applicable:
1. A statement that a signature on a sales agreement is an agreement to initiate service and begin enrollment;
  2. A description of the specific prices, terms, and conditions of ESCO service applicable to the customer, which is substantially the same, in form and content, as the sample contract submitted to the Department pursuant to Section 2.B.1.b and, if savings are guaranteed, or guaranteed under only certain circumstances, the ESCO must provide a plain language description of the conditions that must be present in order for the savings to be provided;
  3. A description of the types of information that the ESCO needs to obtain from the Authority, the purposes of its use, and effective duration of the authorization;
  4. A statement that acceptance of the agreement is an authorization for release of such information;
  5. A customer signature and date; the sales agreement shall be physically separate from any check, prize or other document that confers any benefit on the customer as a result of the customer's selection of the ESCO;
  6. A statement that a residential customer may rescind the agreement within three business days after signing the sales agreement; a statement that a customer may rescind the authorization for release of information at any time; provision of a local, toll-free telephone number, and/or e-mail address for these purposes; the customer may fax a copy of a signed sales agreement to the ESCO; upon cancellation of the agreement, the ESCO shall provide a cancellation number; and
  7. The customer's name, mail and any e-mail address (if the customer chooses to provide it), Authority account number, and any additional information to verify the customer's identify.
  8. A statement from the ESCO that energy supply will be provided by the ESCO, and that energy delivery shall continue to be provided by the customer's utility; and that said utility will also be available to respond to other emergencies should they occur;
- B. ESCOs, Energy Brokers, or Energy Consultants shall retain written agreements and/or authorizations for two years from the effective date of the agreement and/or authorization or for the length of the agreement whichever is longer. In the event of any dispute involving a sales agreement or authorization, the ESCO, Energy Broker, or Energy Consultant shall provide a copy of the sales agreement and/or authorization within five business days after a request from the Department.

**Attachment 4**

**Sample Customer Disclosure Statement**

Price	
Fixed or Variable and, if variable, how the price is determined	
Length of the agreement and end date	
Process customer may use to rescind the agreement without penalty	
Amount of Early Termination Fee and method of calculation	
Amount of Late Payment Fee and method of calculation	
Provisions for renewal of the agreement	
Conditions under which savings to the customer are guaranteed	
<u>Compensation Disclosure</u>	

**Attachment 5**

**Enrollment and Drop Requests Information Requirements**

- A. An ESCO shall provide the following information for enrollment requests, and an ESCO or Authority shall provide the following information for drop requests:
  - 1. Utility ID (DUNS# or tax ID);
  - 2. ESCO ID (DUNS# or tax ID); and,
  - 3. Customer's utility account number (including check digit, if applicable).
- B. The following information is required for enrollment requests:
  - 1. Customer's bill option;
  - 2. For Authority rate ready consolidated billing:
    - a. an ESCO's fixed charge, supply price, sales and use tax rate or rate code;
    - b. ESCO customer account number;
    - c. budget billing status indicator; and,
    - d. tax exemption percent and portion taxed as residential.
  - 3. For electric service: indicator for a partial requirements customer, if applicable.
- C. The following information is required for drop requests:
  - 1. Reason for the drop;
  - 2. For Authority request, service end date;
  - 3. For ESCO initiated request, effective date of customer move, if applicable.

## **SECTION 6: CUSTOMER INQUIRIES**

### A. Applicability

This Section establishes requirements for responses by an ESCO or Authority to retail access customer inquiries. An ESCO or the Authority shall respond to customer inquiries sent by means of electronic mail, telecommunication services, mail, or in meetings. The subjects raised in inquiries may result in the filing of complaints.

### B. General

1. The Authority and ESCOs shall provide consistent and fair treatment to customers.
2. The Authority and ESCOs shall maintain processes and procedures to resolve customer inquiries without undue discrimination and in an efficient manner and provide an acknowledgement or response to a customer inquiry within 2 days and, if only an acknowledgement is provided, a response within 14 days.
3. The Authority and ESCOs shall provide local or toll-free telephone access from the customer's service area to customer service representatives (CSRs) responsible for responding to customer inquiries and complaints.
4. CSRs shall obtain information from the customer to access and verify the account or premises information. Once verification is made, the CSR shall determine the nature of the inquiry, and, based on this determination, decide whether the Authority or the ESCO is responsible for assisting the customer.
5. The CSR shall follow normal procedures for responding to inquiries. If the inquiry is specific to another provider's service, the CSR shall take one of the following actions:
  - a. Forward/transfer the inquiry to the responsible party;
  - b. Direct the customer to contact the responsible party; or,
  - c. Contact the responsible party to resolve the matter and provide a response to the customer.
6. The Authority and ESCO shall maintain a customer service group to coordinate and communicate information regarding customer inquiries and designate a representative to provide information relating to customer inquiries to the Department.
7. ESCOs may provide a teletypewriter (TTY) system or access to TTY number.

### C. Specific Requests for Information

1. The Authority or ESCO shall respond directly to customer inquiries for any information that is related to supply and/or delivery service, to the extent it has the necessary information to respond.
2. The entity responsible for the accuracy of meter readings shall respond to customer inquiries related to usage.

3. The Authority and ESCO shall respond to customer inquiries about billing and payment processing, in accordance with UBP-LI-ESCO Section 9, Billing and Payment Processing.

D. Emergency Contacts

1. An emergency call means any communication from a customer concerning an emergency situation relating to the distribution system, including, but not limited to, natural disaster, downed wires, electrical contact, or fire.
2. The ESCO CSR shall transfer emergency telephone calls directly to the Authority or provide the Authority's emergency number for direct contact to the Authority. If no ESCO CSR is available, the ESCO shall provide for after-hours emergency contacts, including transfer of emergency calls directly to the Authority or an answering machine message that includes an emergency number for direct contact to the Authority.
3. Each ESCO shall provide periodic notices or bill messages to its customers directing them to contact the Authority in emergency situations and providing the emergency number.

## **SECTION 7: AUTHORITY INVOICES**

### A. Applicability

This Section establishes procedures for invoices of charges for services provided by the Authority directly to an ESCO or Direct Retail Customer. The Authority and ESCO or Direct Retail Customer may agree to establish other arrangements and procedures for presentation and collection of invoices for services rendered.

### B. Invoices

1. An ESCO or Direct Retail Customer shall pay the full amount due, without deduction, set-off or counterclaim, within 20 calendar days after the date of electronic transmittal or postmarked date (due date). Subsequent to the due date, charges are overdue and subject to late payment charges at the rate of 1.5% per month. The overdue charges include the amount overdue, any other arrears, and unpaid late payment charges. The Authority may provide, upon request, supporting or back-up data in electronic form, if available on its computer system.
2. The Authority shall provide interest at the rate of 1.5% on an overpayment caused by the Authority's erroneous billing, provided that it may, without applying interest, credit all or a portion of the overpayment to the next bill issued within 30 days and/or refund all or a portion of the overpayment, upon request, within 30 days after its receipt. The Authority shall refund any credit balances, upon request.
3. An ESCO or Direct Retail Customer shall make payments by means of an electronic funds transfer. The Authority shall use any partial payments first to pay any arrears and second to pay current charges.

### C. Billing Inquiries and Disputes

1. An ESCO or Direct Retail Customer shall make any claims relating to inaccuracies of invoices in writing no later than 90 calendar days after the date of electronic transmittal or postmarked date. ESCOs and/or Direct Retail Customers are responsible for payment of disputed charges during any pending dispute.
2. The Authority shall designate an employee and provide a telephone number and e-mail address for receipt of inquiries from an ESCO or a Direct Retail Customer relating to invoices. The employee shall direct an ESCO or Direct Retail Customer that presents an inquiry or complaint to the responsible and knowledgeable person able to explain charges on an invoice.
3. The Authority shall acknowledge in writing receipt of an inquiry within five calendar days after its receipt. The Authority shall investigate and respond in writing to the inquiry within 20 calendar days after its receipt.
4. The Authority shall refund any overpayments, including interest, within five calendar days after it makes a determination that an ESCO or Direct Retail Customer made an overpayment. It may provide the refund by applying a credit to any overdue amounts or making direct payment of any remainder. The Authority shall provide refunds by means of an electronic funds transfer. Interest is calculated at the rate of 1.5 % per month from the date of the overpayment to the refund.

5. No interest is required on overpayments voluntarily made by an ESCO or Direct Retail Customer to an account, unless an overpayment is applied to security.

**SECTION 8: DISPUTES INVOLVING THE AUTHORITY, ESCOs, ENERGY BROKERS/CONSULTANTS, OR DIRECT RETAIL CUSTOMERS**

A. Applicability

This Section describes the dispute resolution processes available at the Department to resolve disputes relating to competitive energy markets involving utilities, ESCOs and/or Direct Retail Customers, including disputes alleging anti-competitive practices. This process shall also be utilized to resolve disputes between a distribution utility and an Energy Broker or Energy Consultant. The processes are not available to resolve disputes involving individual retail customers against either an ESCO or the Authority. They are also not applicable to matters that, in the opinion of the Department Staff, should be submitted by formal petition to the Public Service Commission for its determination or are pending before a court, state or federal agency. The availability of the processes does not limit the rights of the Authority, ESCO, Energy Broker, Energy Consultant, or Direct Retail Customer to submit any dispute to another body with jurisdiction for resolution.

B. Dispute Resolution Processes

The parties shall in good faith use reasonable efforts to resolve any dispute before invoking any of these processes. The Authority's Tariff for Electric Service and operating and service agreements between the parties shall identify the processes used to resolve disputes and shall refer to the dispute resolution processes described in this Section as acceptable processes to resolve disputes.

1. Standard Process

The parties shall use a method to send documents described in this paragraph that will verify the date of receipt.

The Authority, an ESCO, Energy Broker, Energy Consultant, or Direct Retail Customer may initiate a formal dispute resolution process by providing written notice to the opposing party and Department Staff. Such notice shall include a statement that the UBP-LI-ESCO dispute resolution process is initiated, a description of the dispute, and a proposed resolution with supporting rationale. Department 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 Staff.
- b. No later than ten days after receipt of the response, if no mutually acceptable resolution is reached, any party or Department 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 Staff, unless the parties and Department Staff agree upon another date. The Department may assign one or more Staff members to assist the parties in resolving the dispute.
- 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. A party to the dispute may appeal the initial decision to the Authority's President and 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

- a. 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.

## **SECTION 9: BILLING AND PAYMENT PROCESSING**

### A. Applicability

This Section establishes requirements

<sup>1</sup> for billing and payment processing options offered by the Authority and ESCO in a multi-retailer model. The Authority and ESCO shall comply with the requirements established in this Section, unless they agree upon modifications or other procedures for billing and payment processing in a Billing Services Agreement.

### B. Billing and Payment Processing Options: General Requirements

1. The Authority shall offer to ESCOs without undue discrimination the billing and payment processing options available in its service territory.
2. A customer participating in a retail access program shall select from the billing and payment processing options offered by ESCOs.
3. The Authority shall allow its customers to select, through their ESCOs, one of the billing and payment options available in the Authority's service territory. An ESCO may offer to its customers billing and payment processing options available in the customer's service territory and shall maintain or provide for the capability of issuing a separate bill for its services under the dual billing option. An ESCO customer may direct the Authority to send its consolidated bills or dual bills to a third party for processing and payment. Consolidated billing is not available to ReCharge NY Customers at this time.
4. The Authority will perform the responsibilities of billing a customer of an ESCO based upon the billing and payment processing options available to the customer and the customer's choice.
5. The Authority shall make validated usage information available to an ESCO at the time that the Authority determines that the information is acceptable.<sup>2</sup>
6. Information on customer usage, billing, and credit is confidential. The Authority may release such information, upon a customer's authorization, in accordance with the UBP-LI-ESCO Section 5, Changes in Service Providers.
7. The Authority and ESCO shall demonstrate the technical capability to exchange information electronically for their billing and payment processing options.
8. An ESCO shall provide 60 calendar days' notice by mail, e-mail or fax to the Authority of any plan to offer a billing option that is not currently offered to its customers. The Authority may agree to a shorter notice period preceding initiation of the option. The 60 calendar-day notice shall not impose any obligation on any party to proceed without a successful test of data exchange capability and the fulfillment of other obligations described in this Section. If an ESCO later changes its system, it shall provide adequate advance notice and conduct any additional testing required.

---

<sup>1</sup> The requirements are applicable when EDI is available upon issuance by the Commission of data standards applicable to a bill model and operational upon successful completion of the testing required for a bill model.

<sup>2</sup> The Authority shall provide electronic interval data in summary form (billing determinants aggregated in the rating periods under the Authority's tariffs) via EDI and, if requested, or if EDI is not available, in detail via an acceptable alternative electronic format if retrieved from meters.

9. The Authority and an ESCO are responsible for separately remitting their tax payments to the appropriate taxing authorities.
10. Where the Authority is the consolidated billing party, the Authority is not required to support processing of prepayments or application of customer prepayments to ESCO charges.

C. Consolidated Billing: General Requirements

1. The Authority and ESCO shall establish in a Billing Services Agreement (BSA) detailed expectations for their responsibilities, including consequences for any failure to carry out such responsibilities.
2. The Authority will use the rate ready method<sup>3</sup> for issuing consolidated bills.
3. Consolidated billing is not available for ReCharge NY Customers at this time.

D. Consolidated Billing: Functions and Responsibilities

1. The Authority shall perform the following functions and responsibilities<sup>4</sup>:
  - a. If the rate ready method is used, receive rates, rate codes and/or prices (fixed and/or variable) and other billing information from the ESCO;
  - b. Receive bill messages from the ESCO;
  - c. If the rate ready method is used, calculate billed charges, including sales and use taxes; the ESCO is required to provide the customer's sales and use tax rate to the Authority;
  - d. Print or make available electronically consolidated bills that state the ESCO's charges, including taxes, arrearages, late fees, and bill messages.
  - e. Insert in bill envelopes consolidated bills and inserts required by statute, regulation or Public Service Commission order;
  - f. Stamp, sort and mail consolidated bills or, if authorized, transmit bills electronically;
  - g. Cancel and rebill charges;
  - h. Notify the ESCO of amounts billed, by account, within two business days after rendering bills to customers;
  - i. Receive and record customer payments;
  - j. Allocate and transmit the ESCO's share of receipts, by account, to the ESCO;
  - k. Respond to general inquiries and complaints about the bill and its format; refer customers to the ESCO for inquiries and complaints related to the ESCO's rates, charges, services, or calculations; and,
  - l. Maintain records of billing information, including amounts collected, remaining and transferred, and dates.
2. To initiate consolidated billing using the rate ready method, the ESCO shall provide the Authority with the rates, rate codes, and/or prices (fixed and/or variable) and tax

---

<sup>3</sup> An ESCO operating in the LIPA service territory may not perform any billing functions on behalf of the Authority under a Consolidated Billing option.

<sup>4</sup> The Authority, when providing the rate ready method for utility consolidated billing is not obligated to calculate or bill separately for other goods and services that an ESCO may provide.

rates necessary to calculate the ESCO's charges. The Authority shall specify in the BSA the number of prices for each service class accepted, deadline for transmission, effective date, and acceptable frequency of changes.<sup>5</sup>

3. The Authority may process special handling requests from customers provided that it obtains agreement from the ESCO for requests that affect it;
4. The Authority is not required to calculate or provide separate statements to customers regarding gross receipts taxes applicable to an ESCO's charges. The ESCO may calculate and provide information on the gross receipts taxes applicable to its charges in a bill message.

#### E. Consolidated Billing: Content

1. The Authority may decide upon the format for its consolidated bill provided that it states a summary of total charges and separately states Authority and ESCO charges in sufficient detail to allow a customer to judge their accuracy. Such separate statements shall appear in clearly separated portions of the bill and identify their source, Authority or ESCO.
2. A consolidated bill shall contain the information listed in Attachment 1, General Information, preferably in a summary section. The Authority may place the information on the bill in any order or location.
3. A consolidated bill shall contain the information listed in Attachment 2, Authority Content.
4. A consolidated bill shall contain the information listed in Attachment 3, ESCO Content, separately stated for each ESCO.
5. If the rate ready method is used, the ESCO shall provide to the Authority information listed in Attachment 3, ESCO Section Content, to the extent necessary for the Authority to calculate and issue bills. To initiate utility consolidated billing using the rate ready method, an ESCO shall provide the information to the Authority on or before 15 calendar days prior to the scheduled meter reading date. An ESCO may request a price or rate change no later than four business days prior to its effective date.
6. If the Authority and ESCO agree to show the ESCO's logo on the bill, the ESCO shall provide it in an acceptable electronic format at least thirty days before its initial use.
7. If the rate ready method is used, an ESCO is not required to provide information after it is initially submitted, except when a change is made.
8. No party shall engage in cramming.
9. An ESCO may display its bill messages up to 480 characters in length on the bill provided that the Authority raises no reasonable objection to the message. There is no limit in message length for the Authority. If the rate ready method is used, an ESCO shall submit to the Authority a common bill message on or before 15 calendar days before the date used. Unless a final print date is provided, the Authority shall continue to

---

<sup>5</sup> If the Authority's billing system is capable of providing the service, the Authority shall, upon request, apply a different rate, rate code, and/or price and tax rate to usage during different portions of the billing cycle to service provided after the effective date of the change. The ESCO shall request a change in the rate, rate code, and/or price no later than four business days prior to the effective date requested.

print the message on bills until he ESCO transmits a different message or requests its discontinuance. In emergencies requiring printing of messages on bills, the Authority shall accommodate the needs of the ESCO, if practicable.

10. The Authority shall, in a timely manner, print on bills or insert into bill envelopes information that a statute, regulation, or to be consistent with a Public Service Commission order, the Authority or ESCO to send to its customers. The Authority may not assess charges for inclusion of required inserts that do not exceed one-half ounce. The Authority may charge for any excess weight. The party responsible for providing the information shall submit it to the Authority. If the information is provided in a bill insert, the responsible party shall deliver the inserts in preprinted bulk form in a proper size on or before 15 calendar days before the date requested for initiation of distribution to customers to a location designated by the Authority.
11. Due dates and other general payment terms and conditions shall be identical for Authority and ESCO charges, unless different terms and conditions would have no impact on them. In the event of a conflict, the Authority's payment terms and conditions shall govern.

F. Consolidated Billing: Bill Issuance

1. No late charge may be applied to customers' bills for Authority charges, if payment is received within the grace period. If the rate ready method is used, the ESCO shall transmit any revisions in rate and/or price data to the Authority on or before four business days prior to the prescribed date.
2. If a rate ready method is used, the Authority shall render a bill in accordance with the Authority's regular bill issuance schedule. A bill is rendered upon transfer to the custody of the U.S. Postal Service or other delivery service or, if authorized by a customer, sent electronically to a valid e-mail address or telefax number, displayed on a secure website, or presented directly to the customer or customer's representative.
3. If the rate ready method is used, the Authority shall provide to the ESCO within two business days after bill issuance, a statement of the accounts billed, date of issuance and amount of the ESCO's charges shown on the bill (past due, current, and late payment charges and taxes).

G. Consolidated Billing: Cancellations and Rebills

1. If ESCO errors occur and are not corrected before the bill is issued, the Authority is not required to cancel bills or issue new bills. The ESCO shall provide any necessary explanations to the customer and the Authority and make any necessary adjustments on the next bill.
2. If no party errs, the parties may agree to cancel and rebill.
3. To cancel a bill, the Authority shall:
  - a. Cancel usage by billing period;
  - b. Send consumption in the cancel transaction that matches consumption sent in the original transaction;
  - c. Send cancelled usage at the same level of detail as the original usage;
  - d. Using the rate ready method, if a bill is to be cancelled and reissued, recalculate charges and issue revised bills to customers within two business days after receipt

of the revised usage data;

4. To restate usage for a period, the Authority shall first cancel usage for that period and then send the full set of restatement transactions.

#### H. Consolidated Billing: Payment Processing and Remittance

1. The parties shall set forth their responsibilities, performance parameters, financial arrangements and other details associated with payment processing and remittance in a BSA. A BSA shall establish procedures for processing payments made on any purchased accounts receivable.
2. Payment Processing
  - a. The Authority may impose late payment charges on unpaid amounts not in dispute.
  - b. If a customer's check is returned for any reason, the Authority may charge the customer's account for the return fee and any reasonable administrative fee.
3. Application of payments
  - a. The Authority may retain any payment amounts in excess of the amounts due as prepayments for future charges or return the excess amounts to customers.
4. Customer Disputes: Initiating a Bill Complaint
  - a. A customer or authorized representative may initiate a customer complaint regarding some or all of the charges on the customer's bill at anytime.
  - b. When a complaint relates to the entire bill, to only the Authority's charges or services, or, using the rate ready method, to calculation of the Authority or ESCOs charges, the customer should contact the Authority. The Authority shall resolve the complaint and, if appropriate, place the customer's account in dispute. In the event the inquiry concerns only a ESCO's bill, charges, services, or calculations, the Authority shall refer the customer to the ESCO.
5. Customer Complaints: Notification
  - a. Upon a determination that a complaint affects the entire bill, the Authority shall notify the ESCO of the subject and amount in dispute, if known.
  - b. The ESCO shall inform the Authority of disputes related to ESCO charges that would affect the billing process.
  - c. Once such complaints are resolved and the billed amounts are no longer in dispute, the other party shall be notified.

#### I. Consolidated Billing: CallCenters

The Authority shall provide call centers with toll-free or local telephone access available 24 hours a day and an answering machine or voice mail service during the hours when call center staff is not available. The Authority shall maintain adequate staff to respond to customers' inquiries or refer inquiries to the ESCO, where appropriate, within two business days.

#### J. Dual Billing

1. The Authority and ESCO, acting as separate billing parties, shall render separate bills directly to the customer or the customer's representative. The customer or its representative shall pay the Authority and the ESCO separately.

2. The Authority's bill shall conform to the standards set by the Public Service Commission.
3. The Authority shall transmit usage data to the ESCO at the time the information is available for rendering bills to customers, which may or may not coincide with meter reading cycle dates.
4. The ESCO may decide upon its bill format provided that it states its charges in sufficient detail to allow customers to judge the accuracy of their bills. At a minimum, an ESCO shall provide the following information:
  - a. Customer's name and billing address and, if different, service address;
  - b. Customer's account number or ID;
  - c. Period or date associated with each product or service billed;
  - d. Name of the entity rendering the bill;
  - e. Address to which payments should be sent or the location where payments may be made;
  - f. Local or toll-free number for billing inquiries; if an ESCO enrolls and communicates with customers electronically, an e-mail address and telephone number with area code;
  - g. Due date for payment and a statement that late payment charges shall apply to payments received after the due date; and
  - h. Amount and date of payments received since the last bill.
5. Whenever the Authority cancels consumption for an account, it shall provide a notice of cancellation and restated billing parameters for the account to an ESCO and the Authority, if applicable, and shall:
  - a. Cancel usage by billing period;
  - b. Send consumption in the cancel transaction that matches consumption sent in the original transaction;
  - c. Send cancelled usage at the same level of detail as the original usage; and,
  - d. To restate usage for a period, cancel usage for that period and send the full set of billing parameter restatements.

**Attachment 1**

**General Information**

- A. Customer name
- B. Service address
- C. Billing address, if different than service address
- D. Authority account number, if any
- E. Start of billing cycle period (prior meter reading date for metered customers)
- F. Starting period meter reading (for metered customers)
- G. End of billing cycle period (current meter reading date for metered customers)
- H. Ending period meter reading (for metered customers)
- I. Billing period metered usage, any multiplier necessary to convert usage to billing units and resulting billing units (for metered customers)
- J. Billing period demand, if applicable
- K. Indicators, if usage is estimated, actual or customer provided
- L. Total current charges (total of the Authority and ESCO charges, including late charges and taxes)
- M. Total prior billed charges (total of the Authority and ESCO prior bill charges, including prior late charges and taxes)
- N. Total credits since last bill (total of the Authority and ESCO credits);
- O. Date through which the credits are applied
- P. Total current bill (total of the Authority and ESCO charges plus prior bill charges less credits)
- Q. Billing party name
- R. Billing party address
- S. Billing party toll-free or local telephone number, and for the Authority that enrolls and communicates electronically with customers, an e-mail address and telephone number with area code, in lieu of a toll-free or local telephone number
- T. Authority toll free-or local telephone number and emergency telephone number
- U. Method and location for payments
- V. Date of bill
- W. Payment due date
- X. The Authority's messages of any length that apply in general to the bill and services provided by the Authority and ESCO, that are not reasonably objectionable to the parties.

**Attachment 2**

**Authority Content**

- A. Authority name, and logo, if the parties agree
- B. Authority address
- C. Authority toll-free or local telephone number for inquiries about the Authority's portion of the bill and the Authority's emergency number
- D. Authority customer account number
- E. Authority utility rate classification identifier
- F. Authority utility rates per billing unit, if applicable
- G. Authority rates not based on billing units, if applicable, and unbundled, if applicable
- H. Authority charge adjustments and adders, separately stated
- I. Taxes on Authority's charges, if separately stated
- J. Billing period total Authority charges
- K. Prior billing period total Authority charges, including any prior late charges
- L. Credits on prior Authority utility charges
- M. Net prior Authority balance remaining, unless included in total prior billed charges stated in the General Information Section
- N. Late charge for unpaid prior Authority balance, unless included in total prior billed charges stated in the General Information Section
- O. Total amount due for the Authority's services
- P. If a budget bill, applicable billing information and resulting budget bill amount due for Authority's services

**Attachment 3**

**ESCO Content**

- A. ESCO name and logo, if parties agree
- B. ESCO address
- C. ESCO toll-free or local telephone number for billing inquiries; ESCOs that enroll and communicate electronically with customer may provide an e-mail address and telephone number with area code in lieu of a toll-free or local telephone number; if a rate ready method is used, the Authority shall include a notice directing ESCO customers to call the Authority first to clarify bill calculations
- D. ESCO account number,
- E. ESCO rate classification, if applicable
- F. ESCO rate per billing unit, if applicable
- G. ESCO rate not based on Authority unit, if applicable
- H. ESCO charge adjustments and adders, if any, separately stated
- I. Taxes on ESCO charges, if required to be separately stated
- J. Billing period total ESCO charges
- K. Prior billing period total ESCO charges, including any prior late charges, unless included in total prior billed charges stated in the General Information Section
- L. Credits on prior ESCO charges
- M. Net prior ESCO balance remaining
- N. Total amount due for ESCO services
- O. If a budget bill, applicable billing information and resulting budget bill amount due
- P. The ESCO's bill message, if any, up to 480 characters.

## **SECTION 10: MARKETING STANDARDS**

### A. Applicability

This Section describes the standards that ESCOs and ESCO marketing representatives must follow when marketing to customers in New York.

### B. Training of Marketing Representatives

1. ESCOs shall ensure that the training of their marketing representatives includes:
  - a. Knowledge of this Section and awareness of the other Sections of the New York Uniform Business Practices;
  - b. Knowledge of the ESCO's products and services;
  - c. Knowledge of ESCO rates, payment options and the customers' right to cancel, including the applicability of an early termination fee;
  - d. Knowledge of the applicable provisions of the Home Energy Fair Practices Act that pertains to residential customers; and,
  - e. The ability to provide the customer with a toll-free number from which the customer may obtain information about the ESCO's mechanisms for handling billing questions, disputes, and complaints.

### C. Contact with Customers

#### 1. In-Person Contact with Customers<sup>1</sup>

ESCO marketing representatives who contact customers in person at a location other than the ESCO's place of business for the purpose of selling any product or service offered by the ESCO shall, before making any other statements or representations to the customer:

- a. Introduce him or herself with an opening statement that identifies the ESCO which he or she represents as an Energy Services Company, identifies him or herself as a representative of that specific ESCO; explains that he or she does not represent the Authority; and, explains the purpose of the solicitation.
- b. Produce identification, to be visible at all times thereafter, which:
  1. Prominently displays in reasonable size type face the first name and employee identification number of the marketing representative;
  2. Displays a photograph of the marketing representative and depicts the legitimate trade name and logo of the ESCO they are representing;
  3. Provides the ESCO telephone number for inquires, verification and complaints.
- c. During the sales presentation, the marketing representative must also state that if customer purchases electricity from the ESCO, that the customer's utility will continue to deliver their energy and will respond to any emergencies. This requirement may be fulfilled either (a) by an oral statement by the ESCO marketing representative, or (b) written material left by the ESCO marketing representative.
- d. An ESCO marketing representative must provide each prospective residential

---

<sup>1</sup> Including but not limited to marketing encompassed in the definition of door to door sales.

customer a business card or similar tangible object with the ESCO marketing representative's first name and employee identification number; ESCO's name, address, and phone number; date and time of visit and website information for inquires, verification and complaints.

- e. An ESCO marketing representative must provide each prospective residential customer or customer that is marketed to via door to door marketing, with a copy of the ESCO Consumers Bill of Rights, before the ESCO marketing representative makes his or her sales presentation.
  - f. An ESCO marketing representative must provide the customer with written information regarding ESCO products and services immediately upon request which must include the ESCOs name and telephone number for inquires, verification and complaints. Any written materials, including contracts, sales agreements, marketing materials and the ESCO Consumers Bill of Rights, must be provided to the customer in the same language utilized to solicit the customer.
  - g. Where it is apparent that the customer's English language skills are insufficient to allow the customer to understand and respond to the information conveyed by the ESCO marketing representative or where the customer or another third party informs the ESCO marketing representative of this circumstance, the ESCO marketing representative shall either find a representative in the area who is fluent in the customer's language to continue the marketing activity in his/her stead or terminate the in-person contact with the customer. The use of translation services and language identification cards is permitted.
  - h. An ESCO marketing representative must leave the premises of a customer when requested to do so by the customer or the owner/occupant of the premises.
  - i. As stated in Section 5.B.2, for any sale resulting from door-to-door marketing, each enrollment is only valid with an independent third-party verification in conformance with Section 5, Attachment 1. The verification must occur after the marketing agent has left the customer's premises and must be completed before the ESCO may enroll a customer.
  - j. All ESCOs who have ESCO marketing representatives conducting door-to-door marketing must maintain a daily record, by zip code, of the territories in which the ESCO's marketing representatives have conducted door-to-door marketing. The information should be in a form that can be reported to Staff upon request and should be retained by the ESCO for a minimum of six months.
2. Telephone Contact with Customers
- ESCO marketing representatives who contact customers by telephone for the purpose of selling any product or service offered by the ESCO shall:
- a. Provide the ESCO marketing representative's first name and, on request, the identification number;
  - b. State the name of the ESCO on whose behalf the call is being made;
  - c. Never represent that the ESCO marketing representative is an employee or representative or acting on behalf of the Authority. In addition, the ESCO marketing representative must clearly indicate that taking service from an ESCO will not affect

the customer's service with the Authority and such service will continue to be provided by the Authority;

- d. State the purpose of the telephone call;
  - e. Where it is apparent that the customer's English language skills are insufficient to allow the customer to understand and respond to the information conveyed by the ESCO representative or where the customer or another third party informs the ESCO marketing representative of this circumstance, the ESCO marketing representative will immediately transfer the customer to a representative who speaks the customer's language, if such a representative is available, or terminate the call; and,
  - f. Remove Customers' names from the marketing database upon Customers' request.
  - g. When marketing to residential customers the ESCO marketing representative must also:
    1. Explain that he or she does not represent the Authority;
    2. Explain the purpose of the solicitation;
    3. Notify each prospective customer of the ESCO Consumer Bill of Rights, where they can find it, and also provide a copy of the ESCO Consumer Bill of Rights with any written material sent to the customer including the sales agreement; and,
    4. Provide any written materials, including contracts, sales agreements, marketing materials and the ESCO Consumers Bill of Rights, must be provided to the customer in the same language utilized to solicit the customer.
  - h. As stated in Section 5.B.2, for any sale resulting from telephonic marketing, each enrollment is only valid with an independent third-party verification in conformance with Section 5, Attachment 1. The verification must be completed before the ESCO may enroll a customer.
3. Electronic Enrollments
- a. When marketing to residential customers the ESCO Consumer Bill of Rights should be provided to prospective customers as a non-avoidable screen, which a customer must affirmatively acknowledge to verify they have seen the document, prior to effecting an enrollment.
4. Conduct
- ESCOs shall:
- a. Not engage in misleading or deceptive conduct as defined by State or federal law, or by Commission rule, regulation, or Order;
  - b. Not make false or misleading representations including misrepresenting rates or savings offered by the ESCO;
  - c. Provide the customer with written information, upon request, or with a website address at which information can be obtained, if the customer requests such information via the internet;
  - d. Use reasonable efforts to provide accurate and timely information about services and products. Such information will include information about rates, contract terms, early termination fees and right of cancellation consistent with Section 2

- of the UBP-LI-ESCO and any other relevant Section;
- e. Ensure that any product or service offerings that are made by an ESCO contain information written in plain language that is designed to be understood by the customer. This shall include providing any written information to the customer in a language in which the ESCO representative has substantive discussions with the customer or in which a contract is negotiated;
  - f. Investigate customer inquiries and complaints concerning marketing practices within five days of receipt of the complaint; and,
  - ~~g.~~ Cooperate with the Department and PSC regarding marketing practices proscribed by the UBP-LI-ESCO and with local law enforcement in investigations concerning deceptive marketing practices.
  - ~~g.h.~~ Not contract with or otherwise do business with Energy Brokers and Energy Consultants that are not registered with the Commission pursuant to LIPA UBP Section 11. Customer enrollments facilitated by an unregistered Energy Broker or Energy Consultant shall be invalid.
5. Dispute Resolution
- a. ESCOs will maintain an internal process for handling customer complaints and resolving disputes arising from marketing activities and shall respond promptly to complaints forwarded by the Department.

## **SECTION 11: ENERGY BROKERS AND ENERGY CONSULTANTS**

### **A. Applicability**

This Section sets forth the process that an Energy Broker or Energy Consultant is required to follow in order to register with the Department of Public Service (Department) to provide services as an Energy Broker or Energy Consultant in New York State.

### **B. Registration Requirements**

1. Applicants seeking to act as an Energy Broker or Energy Consultant in New York State are required to register with the Department by submitting a registration package containing the following information and attachments:

a. A completed Energy Broker/Consultant Registration Form (Registration Form), available on the Department website ([www.dps.ny.gov](http://www.dps.ny.gov)). The Registration Form shall require the applicant to:

i. identify the name, postal and e-mail addresses, and telephone and fax numbers for the applicant's main office;

ii. identify the names and addresses of any entities that hold ownership interests of 10% or more in the Energy Broker or Energy Consultant, including a contact name for corporate entities and partnerships;

iii. identify the methods by which it intends to market energy products and services to customers;

iv. identify the category/categories of energy products it intends to market to customers (e.g. commodity service, distributed solar, or demand response);

v. disclose each state in which the applicant operates, or has operated, as an Energy Broker or Energy Consultant and provide any data in its possession regarding complaint history;

vi. disclose any criminal or regulatory sanctions imposed during the previous 36 months against the applicant, any senior officers of the applicant, or any entities holding ownership interests of 10% or more in the applicant;

vii. disclose any other trade names used by the applicant and the state in which the trade name was/is used;

viii. disclose and describe any data breaches associated with customer proprietary information that occurred in any jurisdiction within the 36 months preceding the date of registration, as well as any actions taken by the applicant in response to the incident(s);

ix. disclose and describe specific policies and procedures established by the applicant to secure customer data; and

x. disclose any history of bankruptcy, dissolution, merger, or acquisition activities in the 36 months preceding the date of registration, including data for affiliates of the Energy Broker or Energy Consultant applicant and upstream owners and subsidiaries.

b. A sample standard agreement between the Energy Broker or Energy Consultant and the customer;

- c. Sample forms of the notices sent upon assignment of sales agreements, discontinuance of service, or transfer of customers to other providers;
- d. Procedures used to obtain customer authorization for access to a customers' historic usage or credit information;
- e. Sample copies of informational and promotional materials that the applicant uses for mass marketing purposes;
- f. Sample disclosures of compensation;
- g. Proof of registration with the New York State Department of State or proof of an assumed name certificate (DBA) filed with the county clerk;
- h. Proof of registration to act as a marketer in any municipality where such registration is required;
- i. An annual \$500 registration fee;
- j. A demonstration of financial accountability in the form of either:
  - i. An irrevocable standby letter of credit issued by a reputable financial institution in the amount of \$100,000 for registering Energy Brokers; and \$50,000 for registering Energy Consultants, that meet the following conditions:
    1. The New York State Department of Public Service shall be named as beneficiary and the letter of credit applicant shall be clearly named;
    2. Any number of partial drawings shall be permitted from time to time;
    3. The process for making a drawing, including any required forms and communications or delivery instructions shall be stated;
    4. If a drawing is made, payment shall be made to the beneficiary within 5 business days;
    5. Any expiration date shall be specified and options for renewal, including automatic renewal, shall be stated.
    6. The applicant's filing for bankruptcy, receivership, or any other debt-relief petition shall in no way affect the issuer's liability to the beneficiary under the letter of credit.
    7. All commissions, fees, and other charges with respect to the letter of credit shall be paid by the applicant;
    8. Except for increases to the amount, the letter of credit shall not be amended, changed, or modified without express written consent of the beneficiary;
    9. The beneficiary shall not be deemed to have waived any rights under the letter of credit unless an authorized representative thereof has signed a dated written waiver. No such waiver, unless expressly stated therein, shall be effective as to any subsequent transaction, nor to any continuance of a breach; and
    10. If the beneficiary should require a replacement of the letter of credit due to loss or destruction of the original, the issuer will provide one upon request.
  - ii. A surety bond issued by a reputable financial institution on a form to be

prescribed by the Department with a penal sum of \$100,000 for registering Energy Brokers; and \$50,000 for registering Energy Consultants, that meets the following conditions:

1. The New York State Department of Public Service shall be named as the obligee;
  2. As a condition of the bond, the applicant and its employees are required to comply with all applicable provisions of the laws of the State of New York and the rules, regulations, and orders of the Commission and of the Department, including, but not limited to, the Uniform Business Practices and the Uniform Business Practices for Distributed Energy Resource Suppliers;
  3. If the applicant breaches the bond's conditions, the Department may recover against the bond for the reimbursement of fees or other charges that the Department has determined were improperly collected from customers; for the payment of past due fees or other charges owed by the applicant to the Department, including any unpaid penalties; and for any customer reimbursements or other remedial or financial obligations of the applicant in the event of the applicant's insolvency, liquidation, or bankruptcy or the expiration, surrender, or revocation of the applicant's registration;
  4. Immediately upon recovery on any claim or action on or under the bond, the applicant shall file a new or supplemental bond restoring the face amount of the bond to the required amount;
  5. The bond shall be continuous and shall remain in force until the surety is released from liability by the Department or until the bond is canceled by the surety. Without prejudice to any liability accrued prior to the cancellation, the surety may cancel the bond on ninety days' advance notice in writing sent by mail to the applicant and to the Department;
  6. The bond's termination shall not terminate or otherwise affect any liability of the applicant or its employees to its customers or to the Department;
  7. The surety will give prompt notice to the applicant and to the Department of any notice received or action filed alleging the insolvency or bankruptcy of the surety or alleging any violations of regulatory requirements which could result in suspension or revocation of the surety's authority to do business. In the event the surety becomes unable to fulfill its obligation under the bond for any reason, notice shall be given immediately to the applicant and to the Department;
  8. All commissions, fees, and other charges with respect to the surety bond shall be paid by the applicant.
- k. A completed Service Provider Contact Form, which can be found on the Department's website <http://www.dps.ny.gov>, identifying the Energy Broker or Energy Consultant's employee(s) responsible for resolving consumer complaints received by the Department and referred to the Energy Broker or Energy Consultant; and

1. An Officer Certification document sworn to by a high-level officer of the applicant, such as the Chief Executive Officer, President, or the equivalent, in which the officer affirms that the information contained in the registration package is accurate and truthful, and that the applicant is willing and able to comply with all applicable laws and regulations, including these UBPs.
2. An applicant that knowingly makes false statements in its registration package is subject to denial or revocation of approval.
3. If the registration package contains information that is a trade secret or sensitive for security reasons, the applicant may request that the Department withhold disclosure of the information, pursuant to the Freedom of Information Law (Public Officers Law Article 6) and Public Service Commission regulations (16 NYCRR §6-1.3).

#### C. Department Review Process

1. The Department shall review the Registration Form information and documentation submitted by each applicant and make a determination as to the applicant's likelihood of compliance with the Uniform Business Practices (UBP) if the applicant's registration was approved. To enable the Department to make a thorough assessment of a registration, an applicant shall notify the Department of any major changes in the information submitted in the Registration Form and/or registration package that occurs during the Department review process.
2. Following its review of the registration information and documentation, the Department shall advise the applicant, in writing, if the registration package is approved and the applicant is registered to operate in the State.
3. If following its review of the registration package information and documentation the Department determines that the applicant is not likely to comply with the UBP if the applicant were deemed eligible, the Department may recommend to the Commission that, for good cause shown, the Commission deny the applicant's registration.
4. In any instance that the Department recommends to the Commission that an applicant's registration be denied, the applicant shall be afforded an opportunity to provide the Commission with a response in rebuttal to the Department's recommendation and in support of its registration before the Commission renders a final determination.
5. The Department shall periodically review the registration packages of each Energy Broker and Energy Consultant operating in New York State and make a recommendation to the Commission if the Department finds that the Energy Broker or Energy Consultant should not be permitted to continue operating in New York State.

#### D. Maintaining and Updating Registration

1. An Energy Broker or Energy Consultant shall submit by August 31st each year:
  - a. a statement that the information and attachments in its Registration Form and registration package are current; or
  - b. a description of revisions to the Registration Form and registration package and a copy of the revised portions or, at the Energy Broker or Energy

Consultant's option, a copy of the revised portions identifying the revisions by highlighting or other means;

c. An Officer Certification document, as required by Sub-section B.1.1 of this Section; and

d. The required annual registration fee.

2. An Energy Broker or Energy Consultant shall submit at other times during the year:

a. A description of any major change in the Registration Form and/or application package and a copy of the revised portions or, at the Energy Broker or Energy Consultant's option, a copy of the revised portions identifying the revisions by highlighting or other means. For purposes of this Section, the term, "major change," means a revision in the terms and conditions applicable to the business relationship between the Energy Broker or Energy Consultant and its customers.

b. Changes in marketing plans, including changes to the list required in sub-section B.1.a.iii of this Section.

c. Changes in the Energy Broker or Energy Consultant's business and customer service information displayed on the Department's Website.

d. Changes in personnel responsible for resolving consumer complaints received by the Department and referred to the Energy Broker or Energy Consultant.

#### E. Marketing

1. This sub-section describes the standards that Energy Brokers and Energy Consultants must follow when marketing to customers in New York State. Nothing in this Section shall be read to modify or remove the marketing standards contained in UBP Section 10.

a. Energy Brokers and Energy Consultants shall ensure that the training of their employees and/or marketing representatives includes:

i. Knowledge of this Section and awareness of the other Sections of the UBP;

ii. Knowledge of the products and services for which the Energy Broker or Energy Consultant is marketing;

iii. Knowledge of product rates/cost, payment options and the customers' right to cancel, including the applicability of an early termination fee;

iv. Knowledge of the applicable provisions of the Home Energy Fair Practices Act that pertains to residential customers; and,

v. The ability to provide the customer with a toll-free number from which the customer may obtain information about the Energy Broker or Energy Consultant's mechanisms for handling billing questions, disputes, and complaints.

b. In-Person Contact with Customers: Energy Brokers or Energy Consultants who contact customers in person at a location other than the Energy Broker or Energy Consultant's place of business, or the place of business of the third party on whose behalf the Energy Broker or Energy Consultant is marketing, for the purpose of selling any product or service offered by the Energy Broker or Energy Consultant,

or offered by the third party on whose behalf the Energy Broker or Energy Consultant is marketing, shall, before making any other statements or representations to the customer:

- i. Introduce him or herself with an opening statement that identifies the entity which he or she represents, identifies him or herself as a representative of that specific entity; explains that he or she does not represent the distribution utility; and, explains the purpose of the solicitation.
- ii. Produce identification, to be visible at all times thereafter, which: (1) prominently displays in reasonable size type face the first name and employee identification number of the marketing representative; (2) displays a photograph of the marketing representative and depicts the legitimate trade name and logo of the entity they are representing; (3) provides the Energy Broker or Energy Consultant telephone number, or the telephone number of the third party on whose behalf the Energy Broker or Energy Consultant is marketing, for inquires, verification, and complaints.
- iii. An Energy Broker or Energy Consultant must provide each prospective residential customer a business card or similar tangible object with the marketing representative's first name and employee identification number; Energy Broker or Energy Consultant's name, address, and phone number, or the name, address, and phone number of the third party on whose behalf the Energy Broker or Energy Consultant is marketing; date and time of visit, and website information for inquires, verification and complaints.
- iv. An Energy Broker or Energy Consultant must provide the customer with written information regarding the marketed products and services immediately upon request which must include the name and telephone number of the third party on whose behalf the Energy Broker or Energy Consultant is marketing for inquires, verification, and complaints. Any written materials, including but not limited to contracts, sales agreements, and marketing materials, must be provided to the customer in the same language utilized to solicit the customer.
- v. Where it is apparent that the customer's English language skills are insufficient to allow the customer to understand and respond to the information conveyed by the Energy Broker or Energy Consultant or where the customer or another third party informs the Energy Broker or Energy Consultant of this circumstance, the Energy Broker or Energy Consultant shall either find a representative in the area who is fluent in the customer's language to continue the marketing activity in his/her stead, or terminate the in-person contact with the customer. The use of translation services and language identification cards is permitted.
- vi. An Energy Broker or Energy Consultant must leave the premises of a customer when requested to do so by the customer or the owner/occupant of the premises.
- vii. All Energy Brokers or Energy Consultants conducting door-to-door

marketing must maintain a daily record, by zip code, of the territories in which the Energy Broker or Energy Consultant has conducted door-to-door marketing. This information should be in a form that can be reported to Staff upon request and should be retained by the Energy Broker or Energy Consultant for a minimum of six months.

viii. Specifically, when an Energy Broker or Energy Consultant markets on behalf of an ESCO:

1. An Energy Broker or Energy Consultant must provide each prospective residential customer or customer that is marketed to via door-to-door marketing, with a copy of the ESCO Consumers Bill of Rights, before the Energy Broker or Energy Consultant makes his or her sales presentation.

2. During the sales presentation, the marketing representative must also state that if customer purchases natural gas and/or electricity from the ESCO, that the customer's utility will continue to deliver their energy and will respond to any leaks or emergencies. This requirement may be fulfilled either (a) by an oral statement by the Energy Broker or Energy Consultant, or (b) written material left by the Energy Broker or Energy Consultant.

3. For any sale resulting from door-to-door marketing, each enrollment is only valid with an independent third-party verification in conformance with UBP Section 5, Attachment 1. The verification must occur after the Energy Broker or Energy Consultant has left the customer's premises and must be completed before the ESCO may enroll a customer.

c. Telephone Contact with Customers: Energy Brokers and Energy Consultants who contact customers by telephone for the purpose of selling any product or service shall:

i. Provide the Energy Broker or Energy Consultant's first name and, on request, the identification number;

ii. State the name of the third party on whose behalf the call is being made, if applicable;

iii. State the purpose of the telephone call;

iv. Explain that he or she does not represent the distribution utility.

v. Where it is apparent that the customer's English language skills are insufficient to allow the customer to understand and respond to the information conveyed by the Energy Broker or Energy Consultant or where the customer or another third party informs the Energy Broker or Energy Consultant of this circumstance, the Energy Broker or Energy Consultant will immediately transfer the customer to a representative who speaks the customer's language, if such a representative is available, or terminate the call;

vi. Remove Customers' names from the marketing database upon Customers' request.

vii. Provide any written materials, including but not limited to contracts, sales

agreements, and marketing materials to the customer in the same language utilized to solicit the customer.

viii. Specifically, when an Energy Broker or Energy Consultant markets on behalf of an ESCO:

1. the Energy Broker or Energy Consultant must clearly indicate that taking service from an ESCO will not affect the customer's distribution service and such service will continue to be provided by the customer's distribution utility;

2. the Energy Broker or Energy Consultant must notify each prospective residential customer of the ESCO Consumer Bill of Rights, where they can find it, and also provide a copy of the ESCO Consumer Bill of Rights with any written material sent to the customer including the sales agreement;

3. For any sale resulting from telephonic marketing, each enrollment is only valid with an independent third-party verification in conformance with Section 5, Attachment 1. The verification must be completed before the ESCO may enroll a customer.

d. Electronic Enrollments

i. When marketing to residential customers on behalf of an ESCO, the ESCO Consumer Bill of Rights should be provided to prospective customers as a non-avoidable screen, which a customer must affirmatively acknowledge to verify they have seen the document, prior to effecting an enrollment.

e. Conduct when Marketing: Energy Brokers and Energy Consultants shall:

i. Not engage in misleading or deceptive conduct as defined by State or federal law, or by Commission rule, regulation, or Order;

ii. Not make false or misleading representations including misrepresenting rates or savings of certain energy products and services;

iii. Provide the customer with written information, upon request, or with a website address at which information can be obtained, if the customer requests such information via the internet;

iv. Use reasonable efforts to provide accurate and timely information about services and products. Such information will include information about rates, contract terms, early termination fees, and right of cancellation consistent with this Section, UBP Section 2, and any other relevant Section;

v. Ensure that any product or service offerings marketed by an Energy Broker or Energy Consultant contain information written in plain language that is designed to be understood by the customer. This shall include providing any written information to the customer in a language in which the Energy Broker or Energy Consultant has substantive discussions with the customer or in which a contract is negotiated;

vi. Investigate customer inquiries and complaints concerning marketing practices within five days of receipt of the complaint; and,

vii. Cooperate with the Department and Commission regarding marketing practices proscribed by the UBP and with local law enforcement in

investigations concerning deceptive marketing practices.

f. Dispute Resolution: Energy Brokers and Energy Consultants shall maintain an internal process for handling customer complaints and resolving disputes arising from marketing activities and shall respond promptly to complaints forwarded by the Department.

## 2. Disclosure of compensation

a. Energy Brokers and Energy Consultants shall disclose to customers the form and amount of compensation via a conspicuous statement on any contract or agreement between the energy agent, consultant, broker, or intermediary and its customer.

b. All such disclosures shall include any dollar amount paid, the form in which the compensation was given to the Energy Broker or Energy Consultant, the entity which made the payment, and any broker fee or margin which was added to the energy product or service the customer enrolled in. This disclosure must include anything of value that was given as compensation to the Energy Broker or Energy Consultant for their work, including commissions, bonuses, and any non-financial compensation.

c. In instances where the Energy Broker or Energy Consultant has a direct contractual relationship with the customer, this disclosure shall be included on the first page of the customer agreement, must be in plain language, and appear in 12-point font size or larger.

d. In instances where the Energy Broker or Energy Consultant does not have a direct contractual relationship with the customer, an Energy Broker or Energy Consultant shall disclose to the customer in a separate, written communication any fee splitting arrangement, including the third party receiving the fee and the amount or percentage of fee that the third party will receive.

e. If a third party, such as an ESCO or DERS, collects compensation on behalf of the Energy Broker or Energy Consultant or provides compensation to the Energy Broker or Energy Consultant, such compensation shall be added to the Customer Disclosure Statement in the third party's customer agreement and reflect the form, amount and/or method. In this instance, the Energy Broker or Energy Consultant shall still disclose this information at the time of marketing to the customer.

## 3. Prohibition on Rebates

a. No Energy Broker, Energy Consultant or any other person acting for or on behalf of the Energy Broker or Energy Consultant shall offer or make, directly or indirectly, any rebate of any portion of the fee, premium or charge made, or pay or give to any applicant, or to any person, firm, or corporation acting as agent, representative, attorney, or employee of the energy ratepayer or any interest therein, either directly or indirectly, any commission, any part of its fees or charges, or any other consideration or valuable thing, as an inducement for, or as compensation for, any energy supply or energy-related business.

i. An applicant; any person, firm, or corporation acting as agent, representative, attorney, or employee of the energy ratepayer or of the prospective energy ratepayer; or anyone having any interest in the real property shall not knowingly receive, directly or indirectly, any such rebate or other consideration or valuable thing.

ii. Any person or entity who violates these prohibitions is subject to a penalty equal to the greater of \$5,000 or up to ten times the amount of compensation or rebate received or paid.

#### F. Customer Inquiries

1. This sub-section establishes requirements for responses by an Energy Broker or Energy Consultant to retail access customer inquiries. An Energy Broker or Energy Consultant shall respond to customer inquiries sent by means of electronic mail, telecommunication services, mail, or in meetings. The subjects raised in inquiries may result in the filing of complaints.

##### 2. General Requirements:

a. Energy Brokers and Energy Consultants shall provide consistent and fair treatment to customers.

b. Energy Brokers and Energy Consultants shall maintain processes and procedures to resolve customer inquiries without undue discrimination and in an efficient manner and provide an acknowledgement or response to a customer inquiry within 2 days and, if only an acknowledgement is provided, a response within 14 days.

c. Energy Brokers and Energy Consultants shall provide local or toll-free telephone access from the customer's service area to customer service representatives (CSRs) responsible for responding to customer inquiries and complaints. This shall either be the local or toll-free telephone number of the Energy Broker or Energy Consultant or the local or toll-free telephone number of the third-party on whose behalf of the Energy Broker or Energy Consultant is marketing.

d. CSRs shall obtain information from the customer to access and verify the account or premises information. Once verification is made, the CSR shall determine the nature of the inquiry, and, based on this determination, decide whether the distribution utility, the ESCO, or the Energy Broker/Consultant is responsible for assisting the customer.

e. The CSR shall follow normal procedures for responding to inquiries. If the inquiry is specific to another provider's service, the CSR shall take one of the following actions:

i. Forward/transfer the inquiry to the responsible party;

ii. Direct the customer to contact the responsible party; or,

iii. Contact the responsible party to resolve the matter and provide a response to the customer.

f. Energy Brokers and Energy Consultants may provide a teletypewriter (TTY) system or access to TTY number, consistent with distribution utility tariffs.

##### 3. Specific Requests for Information

a. An Energy Broker or Energy Consultant shall respond directly to customer inquiries for any information that is related to commodity supply and/or delivery service, to the extent it has the necessary information to respond.

b. The entity responsible for the accuracy of meter readings shall respond to

customer inquiries related to usage.

c. The distribution utility and ESCO shall respond to customer inquiries about billing and payment processing, in accordance with UBP Section 9, Billing and Payment Processing.

#### 4. Emergency Contacts

a. An emergency call means any communication from a customer concerning an emergency situation relating to the distribution system, including, but not limited to, reports of gas odor, natural disaster, downed wires, electrical contact, or fire.

b. If contacted with an emergency telephone call, the Energy Broker or Energy Consultant CSR shall transfer emergency telephone calls directly to the distribution utility or provide the distribution utility's emergency number for direct contact to the distribution utility. If no Energy Broker or Energy Consultant CSR is available, the Energy Broker or Energy Consultant shall provide for after-hours emergency contacts, including transfer of emergency calls directly to a distribution utility or an answering machine message that includes an emergency number for direct contact to the distribution utility.

#### G. Customer Data

1. Energy Brokers and Energy consultants must protect against the unauthorized disclosure of confidential customer information.

2. Energy Brokers and Energy Consultants are prohibited from selling, disclosing or providing any customer information obtained from a distribution utility or from the customer themselves to others, including their affiliates, unless such sale, disclosure or provision is required to facilitate or maintain service to the customer, or is specifically authorized by the customer, or required by legal authority. If such authorization is requested from the customer, the Energy Broker and Energy Consultant shall, prior to authorization, describe to the customer the information it intends to release and the recipient of the information.

3. NIST Cybersecurity Framework. Energy Brokers and Energy Consultants that obtain customer information from the distribution utility must have processes and procedures in place regarding cybersecurity consistent with the National Institute of Standards and Technology Cybersecurity Framework.

4. Data Security. Energy Brokers and Energy Consultants that obtain customer information from the distribution utility must comply with any data security requirements imposed by Commission rules.

#### H. Enforcement

1. An Energy Broker or Energy Consultant may be subject to consequences for reasons, including, but not limited to:

a. false or misleading information in the registration package;

b. failure to adhere to the policies and procedures described in any contract with customers;

c. failure to comply with required customer protections;

d. failure to comply with applicable New York Independent System Operator

(NYISO) requirements, reporting requirements, or Department oversight requirements;

e. failure to provide notice to the Department of any material changes in the information contained in the Registration Form or registration package;

f. failure to comply with the UBP terms and conditions, including discontinuance requirements;

g. failure to comply with the Commission's Environmental Disclosure Requirements or failure to comply with other Commission Orders, Rules, or Regulations;

h. failure to reply to a complaint filed with the Department and referred to the Energy Broker or Energy Consultant within the timeframe established by the Department's Office of Consumer Services which is not less than five days;

i. a material pattern of consumer complaints on matters within the Energy Broker or Energy Consultant's control;

j. failure to comply with any federal, state, or local laws, rules, or regulations related to sales or marketing; or 'No Solicitation' signage on the premises; or

k. failure to comply with any of the Marketing Standards set forth in Section 10 of the UBP.

2. In determining the appropriate consequence for a failure or non-compliance in one or more of the categories set forth in this Section, the Commission or Department may take into account the nature, the circumstances, including the scope of harm to individual customers, and the gravity of the failure or non-compliance, as well as the Energy Broker or Energy Consultant's history of previous violations.

a. Enforcement Procedures:

i. The Commission or Department shall either: (a) notify the Energy Broker or Energy Consultant in writing of its failure to comply and request that the Energy Broker or Energy Consultant take appropriate corrective action or provide remedies within the directed cure period, which will be based on a reasonable amount of time given the nature of the issue to be cured; or (b) order that the Energy Broker or Energy Consultant show cause why a consequence should not be imposed.

ii. The Commission may impose the consequences listed in UBP Sub-section H.2.b. of this Section if (a) Energy Broker or Energy Consultant fails to take corrective actions or provide remedies within the cure period; or (b) the Commission determines that the incident or incidents of non-compliance are substantiated and the consequence is appropriate.

iii. Consequences shall not be imposed until after the Energy Broker or Energy Consultant is provided notice and an opportunity to respond.

iv. Notwithstanding the requirements of Sub-sections i., ii., and iii. of this paragraph, an Energy Broker or Energy Consultant is subject to revocation of its registration if it fails to provide the required annual registration fee.

v. The notice of consequences imposed by the Commission will be published on the Department's website.

b. Consequences for non-compliance in one or more of the categories set forth in this Section may include one or more of the following restrictions on an Energy Broker or Energy Consultant's opportunity to do business as an Energy Broker or Energy Consultant in New York State:

- i. Suspension from a specific Commission approved program in either a specific service territory or all territories in New York State;
- ii. Suspension of the ability to enroll new customers in either a specific service territory or all service territories in New York State;
- iii. Imposition of a requirement to record all telephonic and door-to-door marketing presentations, which shall be made available to the Department for review;
- iv. Reimbursements to customers who did not receive savings promised in the Energy Broker or Energy Consultant's sales agreement/Customer Disclosure Statement or included in the Energy Broker or Energy Consultant's marketing presentation, or to customers who incurred costs as a result of the Energy Broker or Energy Consultant's failure to comply with the marketing standards set forth in UBP Section 10;
- v. Release of customers from sales agreements without imposition of early termination fees;
- vi. Revocation of an Energy Broker or Energy Consultant's registration and ability to operate in New York State; and,
- vii. Any other measures that the Commission may deem appropriate.

c. In addition to the consequences identified at UBP Section 11.H.2.b., any person, firm, association, or corporation who or which acts in violation of Public Service Law §66-t(2), and codified in this Section, will be subject to a penalty not to exceed \$5,000 for each violation.

3. An Energy Broker or Energy Consultant's registration is valid unless: the Energy Broker or Energy Consultant fails to pay its annual registration fee; the Energy Broker or Energy Consultant abandons its registration; or such registration is revoked by the Commission through a final order. Additionally, any person or entity who violates this Section's prohibitions on rebates is subject to a penalty equal to the greater of \$5,000 or up to ten times the amount of compensation or rebate received or paid.

4. The Department shall maintain a list of registered Energy Brokers and Energy Consultants for the benefit of third parties who do business with such Energy Brokers and Energy Consultants. As stated in UBP Section 10, ESCOs are prohibited from doing business with unregistered Energy Brokers and Energy Consultants. This Section describes the standards that ESCOs and ESCO marketing representatives must follow when marketing to customers in New York.

**Uniform Business Practices for Distributed Energy Resource Suppliers in the LIPA Service Territory (UBP-DERS-LIPA)**

EFFECTIVE DATE: ~~JANUARY 1, 2019~~ JULY 1, 2026

**Table of Contents**

SECTION 1: DEFINITIONS.....3  
SECTION 2: GENERALLY APPLICABLE PROVISIONS FOR DER SUPPLIERS .....6  
SECTION 2A: SALES AGREEMENTS .....6  
SECTION 2B: GENERAL MARKETING STANDARDS .....6  
SECTION 2C: CUSTOMER DATA .....6  
SECTION 2D: RESPONSIBILITY FOR CONTRACTORS AND OTHER THIRD PARTY  
AGENTS.....8  
SECTION 2E: CUSTOMER INQUIRIES AND COMPLAINTS.....8  
SECTION 2F: CONSEQUENCES FOR VIOLATIONS.....8  
SECTION 2G: OVERSIGHT REQUIREMENTS .....10  
SECTION 3: PROVISIONS SPECIFIC TO CDG AND ON-SITE MASS MARKET DG  
PROVIDERS.....10  
SECTION 3A: REGISTRATION REQUIREMENTS .....10  
SECTION 3B: ENHANCED MARKETING AND ADVERTISING STANDARDS.....12  
SECTION 3C: MINIMUM STANDARDS FOR SALES AGREEMENTS .....14  
SECTION 3D: STANDARD CUSTOMER DISCLOSURE STATEMENTS .....15  
SECTION 3E: CUSTOMER INQUIRIES AND COMPLAINTS.....15  
SECTION 3F: REPORTING REQUIREMENTS .....16  
SECTION 4: ENERGY BROKERS AND ENERGY CONSULTANTS.....17

## **SECTION 1: DEFINITIONS**

As used in these Uniform Business Practices for Distributed Energy Resource Suppliers in the LIPA Service Territory (UBP-DERS-LIPA), the following terms shall have the following meanings:

Authority - The Long Island Power Authority. Depending on usage, this term may include or refer to the Authority's subsidiary which owns the electric transmission and distribution system, and/or the Manager which is responsible for providing services on behalf of the Authority and/or its subsidiary under the terms of the Amended and Restated Operations Services Agreement between Long Island Lighting Company d/b/a LIPA and PSEG Long Island LLC dated as of December 31, 2013.

CDG Provider – An entity that is acting or planning to act as a CDG Sponsor for one or more CDG projects, or that is otherwise engaged in soliciting customers, members, or subscribers for a CDG project or CDG projects, through its own employees or agents, on its own behalf. A CDG Sponsor is the entity that organizes, owns, and/or operates a CDG project.

CDG Marketing Representative - An entity that is either a CDG Provider, Energy Broker, Energy Consultant or an agent conducting, on behalf of the CDG Provider, any marketing activity that is designed to result in the enrollment of customers with the CDG Provider.

Commission – The New York State Public Service Commission (PSC).

Customer Inquiry – A question or request for information from a customer relating to a rate, term, or condition of service provided by a DER supplier, distribution utility, DSP, or other service provider.

Customer Service Representative (CSR) – An employee or agent of a CDG Provider responsible for responding to customer inquiries and complaints.

Department – The New York State Department of Public Service.

Distributed Energy Resources (DER) – A broad category of resources including end-use energy efficiency, demand response, distributed storage, and distributed generation.

Distributed Energy Resource (DER) Supplier – A supplier of one or more DERs that participates in an Authority authorized or DSP-operated program or market. Suppliers may choose to provide DERs as stand-alone products or services, or may choose to bundle them with energy commodity. CDG Providers and On-Site Mass Market DG Providers are included within the definition of DER suppliers. Entities which sell both DERs and energy commodity are both DER suppliers and ESCOs.

Distributed Energy Resource (DER) Supplier Marketing Representative – An entity that is either the DER supplier or an agent conducting, on behalf of the DER supplier, any marketing activity that is designed to enroll customers with the DER supplier. CDG Marketing Representatives and On-Site Mass Market DG Marketing Representatives are also a DER Supplier Marketing Representatives.

Distributed System Platform (DSP) – The DSP is an intelligent network platform that will provide safe, reliable and efficient electric services by integrating diverse resources to meet customers' and society's evolving needs. The DSP fosters broad market activity that monetizes system and social values, by enabling active customer and third party engagement that is aligned with the wholesale market and bulk power system.

Dynamic Load Management Program – A program designed to reduce load in periods or places of high demand, including but not limited to peak shaving programs, local distribution reliability programs to address local reliability needs, and direct load control programs.

Electronic Data Interchange (EDI) – The computer-to-computer exchange of routine information in a standard format using established data processing protocols. EDI transactions are used in retail access programs to switch customers from one supplier to another or to exchange customers' history, usage or billing data between a distribution utility or Meter Data Service Provider and an ESCO.

Transaction set standards, processing protocols, and test plans are authorized in orders issued by the Public Service Commission in Case 98-M-0667, In the Matter of Electronic Data Interchange, and available on the Department of Public Service website at: <https://documents.dps.ny.gov/public/common/search.html>.

Energy broker – A non-utility entity that performs energy management or procurement functions on behalf of customers, ESCOs or DER Suppliers, and that assumes the contractual and legal responsibility for the sale of electric supply service, transmission or other services to end-use retail customers, but does not take title to any of the electricity sold, and does not make retail energy sales to customers.

Energy consultant – any person, firm, association or corporation who acts as broker in soliciting, negotiating or advising any electric contract, or acts as an agent in accepting any electric contract on behalf of a DER Supplier.

Energy Services Company (ESCO) – An entity eligible to sell electricity to end-use customers using the transmission or distribution system of the Authority. ESCOs may perform other retail service functions.

Interval Data – Actual energy usage for a specific time interval for a specific period recorded by a meter or other measurement device.

Large Customer – An Authority customer that is a non-residential demand-based customer.

Where a DER supplier or DER supplier marketing representative does not have sufficient information to determine whether a customer is a mass market or a large customer, that customer should be treated as a mass market customer unless and until the DER supplier or DER supplier marketing representative acquires sufficient information and determines that the customer is a large customer.

Load Profile – Actual or estimated customer energy usage by interval over a period representing usage for a customer or average usage for a customer class.

Manager - PSEG Long Island LLC, through its operating subsidiary Long Island Electric Utility Servco LLC, the entity engaged by the Authority to operate, maintain, and manage LIPA's electric system and act as LIPA's agent pursuant to the terms and conditions of the Operations Services Agreement. Nothing herein shall be read to change or modify Manager's duties and obligations or create any liability on the part of Manager beyond that set forth in the Operations Services Agreement.

Mass Market Customer – An Authority customer that is a residential or small commercial service class and is not billed based on peak demand.

Where a DER supplier or DER supplier marketing representative does not have sufficient information to determine whether a customer is a mass market or a large customer, that customer should be treated as a mass market customer unless and until the DER supplier or DER supplier marketing representative acquires sufficient information and determines that the customer is a large customer.

Marketing – The publication, dissemination or distribution of informational or advertising materials regarding a DER supplier’s services and products to the public by print, broadcast, electronic media, direct mail or by telecommunication.

Meter – A device that measures the units of electric or natural gas service supplied to consumers.

New York State Independent System Operator (NYISO) – An independent management organization, authorized by the Federal Energy Regulatory Commission, operating the bulk electric transmission system and wholesale electric market.

Office of Consumer Services (OCS) – Office within the Department of Public Service that receives consumer complaints and makes determinations concerning customer complaints. OCS identifies the exiting Office or its successor in the event that the Office name is changed.

On-Site Mass Market DG Provider – An entity that is engaged in soliciting mass market customers for a project or service that involves the installation of distributed generation equipment, such as solar panels, on the property of those mass market customers, through its own employees or contractors, on its own behalf rather than as a contractor.

On-Site Mass Market DG Marketing Representative - An entity that is either an On-Site Mass Market DG Provider or an agent conducting, on behalf of the Provider, any marketing activity that is designed to result in the enrollment of customers with the Provider.

Plain Language – Clear and coherent language using words with common and everyday meanings and avoiding legal or energy industry terms, acronyms and abbreviations that a person of ordinary circumstances should not be expected to understand. If the use of a technical term is necessary, the term must be clearly defined in the portion of the text where it is used.

Residential Customer – A person or entity receiving service under a SC-1 service classification.

Sales Agreement – An agreement between a customer and a DER supplier that contains the terms and conditions governing the provision of products and services by a DER supplier. The agreement may be a written contract signed by the customer or a statement supporting a customer’s verifiable verbal or electronic authorization to enter into an agreement with the DER supplier for the products and services specified.

Termination Fee – A fee specified in a DER supplier sales agreement that may be charged to a customer for terminating the sales agreement before the end of the term described in that agreement, regardless of whether the assessed amount is identified as a fee, a charge, liquidated damages or a methodology for the calculation of damages, and regardless of whether it is fixed, scaled or subject to calculation based on market factors.

## **SECTION 2: GENERALLY APPLICABLE PROVISIONS FOR DER SUPPLIERS**

Applicability: The provisions of these sections apply to all DER suppliers that participate in a Authority DSP-operated program or market with respect to transactions between the DER supplier and the customer of the Authority. These provisions are designed to ensure that accurate information is provided to customers and will require minimal or no changes to existing DER supplier business practices.

### **SECTION 2A: SALES AGREEMENTS**

**(Generally Applicable)**

- A. A DER supplier shall obtain a customer's consent to a sales agreement prior to billing a customer or enrolling a customer in a DSP, Authority, and NYSEDA.
  - 1. The sales agreement may be a written contract signed by the customer or the customer's verbal or electronic authorization to enter into an agreement with the DER supplier for the products and services specified.
  - 2. A DER supplier entering into a sales agreement for a large or ongoing transaction (as defined below) shall retain the sales agreement and record of customer consent for at least two years or the length of the agreement, whichever is longer.
    - a. A large transaction is any transaction in which a customer makes a payment to a DER supplier of \$500 or more.
    - b. An ongoing transaction is any transaction which, regardless of the size of the transaction, either (a) results in the DER supplier billing the customer for a period of three or more months or (b) results in the DER supplier enrolling the customer in a program through which the customer or the DER supplier will receive compensation, including bill credits, for a period of three or more months.

## **SECTION 2B: GENERAL MARKETING STANDARDS**

### **(Generally Applicable)**

- A. DER supplier shall:
  - 1. Not engage in misleading or deceptive conduct as defined by state or federal law or regulation, Authority rule, or Commission rule or Order;
  - 2. Not make false or misleading representations including misrepresenting rates or savings offered by the DER supplier;
  - 3. Provide a mass market customer upon request with written information regarding the DER supplier and its products or services or with a website address at which information can be obtained;
  - 4. Use reasonable efforts to provide accurate and timely information about services and products. Such information will include information about rates, contract terms, termination fees and right of cancellation;
  - 5. Ensure that any product or service offering that is made by a DER supplier in a transaction with a mass market customer contains information written in plain language that is designed to be understood by the customer. This shall include providing any written information to the customer in a language in which the DER supplier representative has substantive discussions with the customer or in which a contract is negotiated;
  - 6. Comply with local laws and regulations regarding door-to-door marketing;
  - 7. Comply with the state and federal laws regarding telemarketing, including the Do-Not-Call law;
  - 8. Cooperate with the Department and Authority regarding the practices prescribed by these UBP-DERS-LIPA and with other regulatory entities, including law enforcement, in investigations concerning deceptive marketing practices.
  - ~~8-9. Not contract with or otherwise do business with Energy Brokers and Energy Consultants that are not registered with the Department of Public Service pursuant to UBP-LIPA-DERS Section 4. Customer enrollments facilitated by an unregistered Energy Broker or Energy Consultant shall be invalid.~~

## **SECTION 2C: CUSTOMER DATA**

- A. Applicability. This Section establishes practices for release and protection of customer information by the Authority or DSPs to DER suppliers using EDI. It also identifies the content of information sets transmitted using EDI standards. The Authority or DSP and a DER supplier shall use standards, systems, and protocols developed for these purposes for transmittal of customer information. This section does not impose any obligations on DER

suppliers that do not request or receive data using EDI.

- B. Customer Authorization Process: The Authority or DSP shall provide information about a specific customer requested by an EDI-eligible DER supplier authorized by the customer to receive the information.
1. In obtaining customer authorization, a DER supplier shall inform the customer of the types of information to be obtained, to whom it will be given, how it will be used, and how long the authorizations will be valid. The authorization is valid for no longer than six months unless the sales agreement provides for a longer time.
  2. The Authority or DSP shall assume that a DER supplier obtained proper customer authorization if the DER supplier submits a valid information request, as defined in EDI rules.
  3. A DER supplier shall retain, for a minimum of two years or for the length of the sales agreement, whichever is longer, verifiable proof, including but not limited to a recording or signed writing, of authorization for each customer. Verification record shall be provided by a DER supplier, upon request of the Department, within five calendar days after a request is made after a request is made. Locations for storage of the records shall be at the discretion of the DER supplier.
  4. Upon request by a customer, the Authority or DSP shall block access by DER suppliers to information about the customer.
  5. A DER supplier and its agent shall comply with statutory and regulatory requirements pertaining to applicable state and federal do-not-call registries.
- C. Customer Information Provided to DER suppliers
1. Release of Information: The Authority shall respond within three business days to valid requests for information as established in EDI transaction standards and within seven business days to requests for data and information for which an EDI transaction standard is not available. The Authority shall provide the reason for rejection of any valid information request including for reasons of a DER suppliers' non-compliance with the UBP-DERS-LIPA.
  2. Customer Contact Information Set: The Authority, to the extent it possesses the information, shall provide, upon a DER supplier request, consumption history for an electric account.
    - a. Consumption history<sup>1</sup> for an electric account shall include:
      1. Customer's service address;
      2. Electric account number;
      3. Sales tax district used by the Authority and whether the Authority identifies the customer as tax exempt;
      4. Rate service class by meter, where applicable;
      5. Electric load profile reference category or code, which indicates the customer's peak electricity demand;
      6. Customer's number of meters and account numbers;
      7. Usage type (e.g., kWh), reporting period, and type of consumption (actual, estimated, or billed);
      8. Whether the customer's commodity service is currently provided by the utility;
      9. 12 months, or the life of the account, whichever is less, of customer data and, upon separate request, an additional 12 months, or the life of the account, whichever is less, of customer data, and, where applicable, demand information<sup>2</sup>; if the customer has more than one account, the Authority or DSP shall provide the applicable information, if available, for each account; and

Electronic interval data in summary form (billing determinants aggregated in the rating periods under the Authority's tariff), and if requested in detail, an acceptable alternative format.

- D. Charges for Customer Data: Are described in the Authority's tariff.

---

<sup>1</sup> The Authority, in addition to EDI transmittal, may provide web-based access to customer history information

<sup>2</sup> May provide data for a standard 24 months or life of the account, whichever is less.

- E. Unauthorized Information Release. A DER supplier, its employees, agents, and designees, is prohibited from selling, disclosing or providing any customer information obtained from the Authority or DSP, in accordance with this Section, to others, including their affiliates, unless such sale, disclosure or provision is required to facilitate or maintain service to the customer or is specifically authorized by the customer or required by legal authority. If such authorization is requested from the customer, the DER supplier shall, prior to authorization, describe to the customer the information it intends to release and the recipient of the information.
- F. NIST Cybersecurity Framework. DER suppliers that obtain customer information from the Authority or DPS must have processes and procedures in place regarding cybersecurity consistent with the National Institute of Standards and Technology Cybersecurity Framework.
- G. Data Security. DER suppliers that obtain customer information from the Authority or DSP must comply with any data security requirements imposed by the Authority or by Commission rules on ESCOs and/or any data security requirements associated with EDI eligibility.

## **SECTION 2D: RESPONSIBILITY FOR CONTRACTORS AND OTHER THIRD PARTY AGENTS**

### **(Generally Applicable)**

- A. If a DER supplier enlists a third party to assist them in marketing, data collection or analysis, billing, or any other activity, that DER supplier is responsible for making commercially reasonable efforts to ensure that the third party’s activities conform with the relevant regulations and requirements.
- B. The provisions of the preceding subsection also apply when a DER supplier purchases a list of potential customers or similar information from a third party that assembled that list through its own advertising. In such cases, the DER supplier purchasing the list is responsible for making reasonable efforts to ensure that the list was not assembled through deceptive marketing.

## **SECTION 2E: CUSTOMER INQUIRIES AND COMPLAINTS**

### **(Generally Applicable)**

- A. Department Staff will accept inquiries and complaints related to DER suppliers and will make efforts to investigate and resolve those complaints and, if necessary, bring those complaints to the Authority for consideration in accordance with the Authority’s Tariff for Electric Service.
- B. For customers of large or ongoing transactions, as defined in Section 2A.A.2, DER suppliers must retain summary complaint records for at least two years from the date of the transaction or for the length of the agreement, whichever is longer.

## **SECTION 2F: CONSEQUENCES FOR VIOLATIONS**

### **(Generally Applicable)**

- A. A DER supplier may be held responsible for actions by its officers, its employees, and contractors or other third-party agents acting on its behalf or under its direction. In addition, a DER supplier purchasing a customer list or similar information or services from a third-party marketer is responsible for making reasonable efforts to ensure that the list was not assembled in a manner inconsistent with the UBP-DERS-LIPA. A DER supplier may be subject to the consequences listed in UBP-DERS-LIPA Section 2F.C.2. for reasons, including, but not limited to:

1. False or misleading information in the registration package required of CDG and On-Site Mass Market DG Providers;
  2. Failure to adhere to the policies and procedures described in its sales agreement;
  3. Enrolling a customer in a DSP, Authority, NYSEERDA, Commission, or Department-run or authorized program or billing a customer without obtaining that customer's consent through a sales agreement or similar method;
  4. Failure to comply with required customer protections;
  5. Failure to comply with relevant reporting requirements or the Authority and/or the Department oversight requirements;
  6. Failure to provide notice to the Department of any material changes in the information contained in the Registration Form or registration package, if required;
  7. Failure to comply with the UBP-DERS-LIPA;
  8. Failure to comply with procedures, protocols or practices for communicating with the Authority's as required by UBP-DERS-LIPA;
  9. Failure to comply with other DER Commission Orders, Rules or Regulations; or
  10. A material pattern of consumer complaints on matters within the DER supplier's control.
- B. In determining the appropriate consequence for a failure or non-compliance in one or more of the categories set forth in UBP-DERS-LIPA Section 2F.B., the Department may take into account the nature, the circumstances, including the scope of harm to individual customers, and the gravity of the failure or non-compliance, as well as the DER supplier's history of previous violations and whether the DER supplier has taken any actions or made any commitment to remediate any harm caused by the violation.
1. The Department shall:
    - a. Either (a) notify the DER supplier in writing of its failure to comply and request that the DER supplier take appropriate corrective action or provide remedies within the directed cure period, which will be based on a reasonable amount of time given the nature of the issue to be cured; or (b) order that the DER supplier show cause why a consequence should not be imposed.
    - b. The Department or, if involving Authority programs, tariffs or data, Authority, the Authority upon the recommendation of the Department may impose the consequences listed in subparagraph C.2.(a-b) if the DER supplier fails to take corrective actions or provide remedies within the cure period;
    - c. Consequences shall not be imposed until after the DER supplier is provided notice and an opportunity to respond.
  2. Consequences for non-compliance in one or more of the categories set forth in UBP-DERS-LIPA Section 2F.B. may include one or more of the following restrictions on a DER supplier's access to information, programs, or tariffs:
    - a. Suspension from enrolling new customers in the Authority's programs and tariffs;
    - b. Suspension of the ability to acquire customer data from the Authority;;
    - c. Imposition of requirements to modify procedures to obtain customer authorization for purchase, and to verify such customer authorization;
    - d. Imposition of requirements to modify procedures regarding the protection of consumer information; and
    - e. Imposition of a requirement to file a customer service improvement plan to the Department identifying actions to be taken and timelines to improve customer service, and/or a requirement to file periodic reports to the Department identifying the extent to which the customer service improvement plan is achieving its objectives.
    - f. Revocation of a DER supplier's eligibility to access programs, tariffs, or solicitations initiated or controlled by the Authority and/or acquire customer data by means established by the Authority; and
    - g. Any other measures that the Commission may deem appropriate.
  3. The Department may give a DER supplier the option to avoid consequences or face lesser consequences on the condition that it provide refunds, corrective

pricing, or other remedies to customers impacted by its violation.

## **SECTION 2G: OVERSIGHT REQUIREMENTS**

### **(Generally Applicable)**

- A. Applicability: This Section establishes requirements for DER suppliers to assist the Authority and the Department in monitoring the development, conduct and performance of New York's energy markets.
- B. All DER suppliers shall:
  - 1. Provide information on complaints received regarding DER products and services, as requested by the Authority or the Department.
  - 2. Provide information as requested by Department Staff, in relation to its efforts in monitoring the development, conduct and performance of energy markets. Such information requests may be through informal requests or interrogatories, including but not limited to, information regarding the DER supplier's business operations and financials.
  - 3. Permit Department Staff to examine the books, accounts, contracts, records, and documents of the DER supplier.
  - 4. Permit Department Staff to access any information needed to audit the DER supplier and cooperate with Department Staff's conducting of such an audit.

## **SECTION 3: PROVISIONS SPECIFIC TO CDG AND ON-SITE MASS MARKET DG PROVIDERS**

- A. Applicability: The provisions of these sections apply to all CDG Providers and On-Site Mass Market Distributed Generation (DG) providers.

## **SECTION 3A: REGISTRATION REQUIREMENTS**

### **(CDG and On-Site Mass Market DG Providers)**

- A. Applicability. This Section sets forth the process that CDG Providers and On-Site Mass Market DG Providers are required to follow to register with the Department.
- B. Registration Package.
  - 1. Registrants planning to become CDG or On-Site Mass Market DG Providers are required to submit to the Department a registration package containing the following information and attachments:
    - a. A completed Registration Form. The registration form will be available on the Department's website, [www.dps.ny.gov](http://www.dps.ny.gov), no later than October 30, 2017 and will be included in this document as Attachment 2. Information that must be provided on or attached to the registration form includes:
      - 1. Name, postal and e-mail addresses, and telephone and fax numbers for the registrant's main office;
      - 2. Names and addresses of any entities that hold ownership interests of 10% or more in the CDG or On-Site Mass Market DG Provider, including a contact name for corporate entities and partnerships;
      - 3. Detailed explanation of any criminal or regulatory sanctions imposed during the previous 24 months against the CDG or On-Site Mass Market DG Provider, any senior officers of the DER supplier, or any entities holding ownership interests of 10% or more in the CDG or On-Site Mass Market DG Provider;
      - 4. Disclosure of any decisions or pending escalated regulatory actions in other states that affect the CDG or On-Site Mass Market DG Provider's ability to operate, such as suspension, revocation, or limitation of operating authority;
      - 5. A list and description of current investigations involving the CDG or On-Site Mass Market DG Provider being conducted by law enforcement or regulatory entities.

6. A summary of the registrant's history of bankruptcy, dissolution, merger, or acquisition in the 24 months immediately preceding the date of application;
  7. Detailed explanation regarding ongoing investigations by the US Securities and Exchange Commission, the US Department of Justice, or the US Federal Energy Regulatory Commission;
  8. Identification of the employee(s) responsible for resolving consumer complaints received by the Department;
  9. A list of material categories of CDG or On-Site Mass Market products or services that will be offered and the customer classifications (*i.e.*, residential, small/mid-sized non-residential) to whom they will be offered;
  10. A list and description of any security breaches associated with customer proprietary information in the last 24 months, as well as a thorough description of the actions taken in response to any such instances.
- b. Sample sales agreements and sample bills for each customer class for each material category of the CDG or On-Site Mass Market products or services that will be offered; and
  - c. Proof of registration with the New York State Department of State.
2. The Department shall maintain a list of CDG and On-Site Mass Market DG Providers that successfully complete these requirements.
  3. A CDG Provider On-Site Mass Market DG Provider that knowingly makes false statements in its registration package shall be subject to denial or revocation of eligibility.
  4. If the registration package contains information that is a trade secret or sensitive for security reasons, the registrant may request that the Department withhold disclosure of the information, pursuant to the New York State Freedom of Information Law (Public Officers Law Article 6) and Public Service Commission regulations (16 NYCRR §6-1.3).
- C. Department Review Process
1. The Department shall review each registration package submitted. The CDG Provider or On-Site Mass Market DG Provider shall immediately notify the Department of any material changes in the information submitted in the Registration Form and/or registration package that occurs during the Department review process. The Department shall notify the registrant, in writing, of any deficiencies in the registration package. The CDG Provider must modify the registration package in response to such a notification within 30 days.
  2. If the modified package does not remedy the deficiency identified by Staff, the Department shall notify the CDG or On-Site Mass Market DG Provider in writing and, to the extent the matter involves Authority tariffs, programs, or data, shall refer the matter, together with a recommended resolution, to the Authority for its consideration.
  3. For CDG Providers or On-Site Mass Market DG Providers that begin operating in New York State after April 1, 2019, a registration package must be submitted and approved before the CDG Provider or On-Site Mass Market DG Provider begins marketing to customers. It is expected that Department Staff will review the registration package within 30 days of submittal and notify the registrant, in writing, either that the registration is accepted as complete or that deficiencies exist in the registration package.
- D. Maintaining Active Status
1. CDG Providers and On-Site Mass Market DG Providers shall submit by March 31 of each year (March 31 Statement):
    - a. A statement that the information and attachments in its Registration Form and registration package are current; or
    - b. A description of revisions to the Registration Form and registration package along with a copy of the revised portions; and
  2. A CDG or On-Site Mass Market DG Provider shall update all the information it submitted in its original registration package to the Department every three years, starting from the filing date of its registration package. A Provider's

status as an eligible provider is continuous from the filing date of its registration package, unless revoked or otherwise limited in accordance with UBP-DERS-LIPA Section 2F. If the three-year anniversary falls within one month of April 1, the Provider shall resubmit its registration package in lieu of the April 1 statement.

3. A CDG or On-Site Mass Market DG Provider shall submit at other times during the year:
  - a. A description of any material revision in the terms and conditions applicable to the business relationship between the Provider and its customers, including provisions governing the process for termination of sales agreements. For any such revisions, the Provider shall provide a copy of the revised portions. This provision does not require CDG Providers to file sample sales agreements based individually negotiated sales agreements with large customers or to update sample sales agreements based on changes made for individual customers.
  - b. Material Change in Financial Status including (1) bankruptcy or insolvency filings, (2) initiation of lawsuits which could materially and adversely impact the current or future ability of the Provider to meet its financial obligations.
  - c. Changes in the Provider's business and customer service information provided in the application.
  - d. Changes in personnel identified in the registration package as responsible for resolving consumer complaints received by the Department and referred to the Provider.

### **SECTION 3B: ENHANCED MARKETING AND ADVERTISING STANDARDS**

#### **(CDG and On-Site Mass Market DG Providers)**

- A. Applicability: This Section describes the enhanced standards that CDG Providers, On-Site Mass Market DG Providers and their marketing representatives must follow when marketing and advertising products and services to potential mass market customers in New York.
- B. Training of Marketing Representatives
  1. Providers shall ensure that the training of their marketing representatives includes:
    - a. Knowledge of this Section and awareness of the other Sections of the UBP-DERS-LIPA;
    - b. Knowledge of the Provider's products and services;
    - c. Knowledge of the Provider's rates and payment options and the customers' right to cancel, including the applicability of a termination fee;
    - d. Knowledge of the applicable provisions of the Home Energy Fair Practices Act that pertains to residential customers; and,
    - e. The ability to provide the customer with a toll-free number from which the customer may obtain information about the Provider's mechanisms for handling billing questions, disputes, and complaints.
- C. When marketing materials or information conveyed to mass market customers or potential mass market customers includes savings estimates, CDG and mass market on-site DG providers must include, in addition to any other forecasts used, a forecast using the following baseline: a three-year average of actual historical utility rates for the three most recent calendar years for which data is available, for the customer's actual utility and service class. The provider may choose to apply an assumed escalation rate of up to 3% per year to this baseline in generating a forecast; if the provider does so, it must disclose the escalation rate used. The forecast generated must estimate savings for the same potential contract term as any other forecast provided. This forecast must be presented with similar prominence to other forecasts and all forecasts must be appropriately labeled to permit customers to understand their source.

Example: A CDG Provider prepares marketing materials for SC-1 customers, showing their expected savings over a 10-year contract term. Over the past 3 calendar years, SC-

1 customer in that utility territory have had average utility rates of \$0.10/kWh, \$0.09/kWh, and \$0.08/kWh. In addition to any other savings forecasts, the CDG developer must provide a 10-year savings estimate to the customer based on a utility rate of \$0.09/kWh, with no more than a 3% annual escalation rate, and identify the escalation rate used.

D. Contact with Customers

1. This subsection applies only to contacts with Mass Market Customers.
2. In-Person Contact with Mass Market Customers Marketing representatives who contact mass market customers in person at a location other than the Provider's place of business for the purpose of selling any product or service shall, before making any other statements or representations to the customer:
  - a. Introduce him or herself with an opening statement that identifies the Provider which he or she represents; identifies him or herself as a representative of that specific Provider; explains that he or she does not represent the Authority; and, explains the purpose of the solicitation.
  - b. Produce identification, to be visible at all times thereafter, which:
    1. Prominently displays in reasonably sized type face the first name and employee identification number of the marketing representative;
    2. Displays a photograph of the marketing representative and depicts the legitimate trade name and logo of the Provider they are representing; and,
    3. Provides the Provider's telephone number for inquires, verification and complaints.
  - c. A CDG or On-Site Mass Market DG Provider marketing representative must provide each prospective mass market customer with a business card or similar tangible object with the marketing representative's first name and employee identification number; Provider's name, address, and phone number; date and time of visit and website information for inquires, verification and complaints.
  - d. A CDG or On-Site Mass Market DG Provider marketing representative must provide the customer with written information regarding the Provider's products and services immediately upon request which must include the Provider's name and telephone number for inquires, verification and complaints. Any written materials, including contracts, sales agreements, and marketing materials must be provided to the customer in the same language utilized to solicit the customer.
  - e. When it is apparent that the customer's English language skills are insufficient to allow the customer to understand and respond to the information conveyed by the marketing representative or when the customer or another third party informs the marketing representative of this circumstance, the marketing representative shall either find a representative in the area who is fluent in the customer's language to continue the marketing activity in his/her stead or terminate the in-person contact with the customer. The use of translation services and language identification cards is permitted.
  - f. A marketing representative must leave the premises of a customer when requested to do so by the customer or the owner/occupant of the premises.
  - g. All Providers who have marketing representatives conducting door-to-door marketing must maintain a daily record, by zip code, of the territories in which the Provider's marketing representatives have conducted door-to-door marketing. The information should be in a form that can be reported to Staff upon request, and should be retained by the Provider for a minimum of six months.
3. Telephone Contact with Mass Market Customers Marketing representatives who contact mass market customers by telephone for the purpose of selling any product or service offered by the Providers shall:
  - a. Provide the marketing representative's first name and, on request, the identification number;
  - b. State the name of the Provider on whose behalf the call is being made;
  - c. State the purpose of the telephone call;
  - d. When it is apparent that the customer's English language skills are insufficient to

allow the customer to understand and respond to the information conveyed by the marketing representative or when the customer or another third party informs the CDG marketing representative of this circumstance, the marketing representative will immediately transfer the customer to a representative who speaks the customer's language, if such a representative is available, or terminate the call; and,

- e. Remove customers' names from the marketing database upon customers' request.
- f. When marketing to residential customers, the marketing representative must also:
  - 1. Explain that he or she does not represent the distribution utility;
  - 2. Explain the purpose of the solicitation; and,
  - 3. Provide any written materials, including contracts, sales agreements, and marketing materials to the customer in the same language utilized to solicit the customer.

### **SECTION 3C: MINIMUM STANDARDS FOR SALES AGREEMENTS**

#### **(CDG and On-Site Mass Market DG Providers)**

- A. Applicability: This Section establishes minimum standards for sales agreements between CDG and On-Site Mass Market DG Providers (Providers) and mass market customers.
  - B. A Provider, or its agent, may solicit and enter into a sales agreement with a customer subject to the following requirements.
    - 1. The DER supplier shall obtain a customer agreement to purchase the product or service and customer authorization to release information to the DER supplier, and retain verifiable proof of such authorization for at least two years or the length of the agreement, whichever is longer.
    - 2. Sales agreements shall include the following information written in plain language in the same language that the Provider has used to market to the customer:
      - A. Terms and conditions applicable to the business relationship between the Provider and the customer which includes:
        - 1. Provisions governing the process for rescinding or terminating an agreement by the Provider or the customer including provisions stating that a residential customer may rescind the agreement within three business days after its receipt without charge or penalty;
        - 2. The price, the terms and conditions of the agreement, including the term and end date, if any, of the agreement, the amount of the termination fee and the method of calculating the termination fee, if any, the amount of late payment fees, if applicable, and the provisions, if any, for the renewal of the agreement;
        - 3. A clear description of the conditions, if any, that must be present in order for savings to be provided to the customer, if savings are guaranteed.
        - 4. Information for residential customers of their rights under HEFPA; and
        - 5. Information regarding contacting the Department for dispute resolution.
        - ~~6.~~ DER supplier contact information, including a local or toll-free number from the customer's service location.
        - ~~6.7.~~ A clear description of any escalation of pricing over term of the contract, including the full details of any methodology used for determining that escalation.
- C. In addition to the requirements of subsection B, contracts for on-site mass market distributed generation must include a description of the distributed generation system, including the make and model of major system components, and an outline of system specifications. All contracts shall include, at a minimum:
  - 1. For purchased systems, the total system purchase price, itemized costs of system components, and any other taxes, fees or overheads that are the responsibility of the customer; or

2. For leases or purchased power agreements (PPAs), the total number of payments, amount of payments, payment frequency, and due date;
  3. An estimate of annual energy output, including loss analysis (e.g. in the case of a solar system, the percentage of the available solar resource that the solar electric system will receive, accounting for losses from shading, array azimuth, and tilt);
  4. The rate at which the customer can be compensated for any electricity sold to the Authority;
  5. The installation location;
  6. Installation schedule;
  7. The potential value of all federal, state, and local tax credits, electric utility rate credits, Renewable Energy Credits, incentives, or rebates that the customer may receive and/or be required to sign over to the DER provider;
  8. Disclosure of any restrictions on the customer's ability to sell the system and/or his/her property;
  9. System and/or production warranties;
  10. Disclosure of any binding arbitration clauses or other terms that limit the customer's right to enforce the contract or seek damages from the courts; and
- D. Assignment of responsibilities (e.g., for maintenance and repairs, insurance coverage, etc.), including whether such maintenance or repairs may be sold or transferred to a third party.

### **SECTION 3D: STANDARD CUSTOMER DISCLOSURE STATEMENTS**

#### **(CDG and On-Site Mass Market DG Providers)**

- A. A completed Standard Customer Disclosure Statement shall be provided to all customers of CDG or On-Site Mass Market DG Providers as part of the sales agreement. Standard Customer Disclosure Statements will be available on the Department's website, [www.dps.ny.gov](http://www.dps.ny.gov), no later than October 30, 2017 and will be included in this document as Attachment 1.
- B. In the event that the text in the Standard Customer Disclosure Statement differs from or is in conflict with a term stated elsewhere in the agreement, the term described by the text in the Standard Customer Disclosure Statement shall constitute the agreement with the customer notwithstanding a conflicting term expressed elsewhere.

### **SECTION 3E: CUSTOMER INQUIRIES AND COMPLAINTS**

#### **(CDG and On-Site Mass Market DG Providers)**

- A. Applicability: This Section establishes requirements for responses by a CDG or On-Site Mass Market DG Provider (Provider) to customer inquiries concerning CDG products or services. Providers shall respond to customer inquiries sent by means of electronic mail, telecommunication services, mail, or in meetings. The subjects raised in inquiries may result in the filing of complaints.
- B. General
  1. Providers shall provide consistent and fair treatment to customers.
  2. Providers shall maintain processes and procedures to resolve customer inquiries without undue discrimination and in an efficient manner and provide an acknowledgement or response to a customer inquiry within 2 days and, if only an acknowledgement is provided, a response within 14 days.
  3. Providers shall provide local or toll-free telephone access from the customer's service area to customer service representatives (CSRs) responsible for responding to customer inquiries and complaints. The Provider's customer service center should

- be operational at least eight hours per day Monday through Friday except holidays, starting no earlier than 7 AM EST.
4. If the inquiry is specific to the Authority's service, the CSR shall take one of the following actions:
    - a. Forward/transfer the inquiry to the Authority;
    - b. Direct the customer to contact the Authority; or,
    - c. Contact the Authority to resolve the matter and provide a response to the customer.
  5. Each Provider shall maintain information regarding customer inquiries and complaints pertaining to its products and services and designate a representative to provide information relating to customer inquiries and complaints to the Department.
- C. Emergency Contacts
1. An emergency call means any communication from a customer concerning an emergency situation relating to the distribution system, including, but not limited to, natural disaster, downed wires, electrical contact, or fire.
  2. A Provider's CSR shall transfer emergency calls directly to the Authority's emergency number.

## **SECTION 3F: REPORTING REQUIREMENTS**

### **(CDG and On-Site Mass Market DG Providers)**

- A. Applicability: This Section establishes requirements for reporting by a CDG or On-Site Mass Market DG Provider (Provider).
- B. Each Provider shall to submit to the Department an annual report by March 31 containing information for the previous calendar year including aggregate number of customers served, a summary of services provided, and information on the number and classification of complaints received in a format to be established by the Department, to assist the Department in monitoring CDG and On-Site Mass Market DG markets.
- C. Each CDG Sponsor shall send an annual report to the Department for each calendar year to each of its subscribers by March 31 of the following year. The annual report must include the amount of credits that the member has received, expressed both in kWh and dollars, as well as the total amount the customer has paid in subscription fees and any other payments to the Sponsor. The report shall follow the standard format provided by Department Staff in Case 15-M-0180<sup>3</sup>
- D. A CDG Sponsor that generates or allocates banked credits in a calendar year must file a report to the Department by March 31 of the following year detailing how many credits were banked, how many banked credits were allocated, what percentage of that allocation was provided to mass market customers, and what percentage was allocated to large customers.

## **SECTION 4: ENERGY BROKERS AND ENERGY CONSULTANTS**

### **A. Applicability**

**This Section sets forth the process that an Energy Broker or Energy Consultant is required to follow in order to register with the Department of Public Service (Department) to provide services as an Energy Broker or Energy Consultant in New York State.**

### **B. Registration Requirements**

- 1. Applicants seeking to act as an Energy Broker or Energy Consultant in New York State are**

<sup>3</sup> <https://dps.ny.gov/distributed-energy-resource-der-regulation-and-oversight>

required to register with the Department by submitting a registration package containing the following information and attachments:

- a. A completed Energy Broker/Consultant Registration Form (Registration Form), available on the Department website (www.dps.ny.gov). The Registration Form shall require the applicant to:
  - i. identify the name, postal and e-mail addresses, and telephone and fax numbers for the applicant's main office;
  - ii. identify the names and addresses of any entities that hold ownership interests of 10% or more in the Energy Broker or Energy Consultant, including a contact name for corporate entities and partnerships;
  - iii. identify the methods by which it intends to market energy products and services to customers;
  - iv. identify the category/categories of energy products it intends to market to customers (e.g. commodity service, distributed solar, or demand response);
  - v. disclose each state in which the applicant operates, or has operated, as an Energy Broker or Energy Consultant and provide any data in its possession regarding complaint history;
  - vi. disclose any criminal or regulatory sanctions imposed during the previous 36 months against the applicant, any senior officers of the applicant, or any entities holding ownership interests of 10% or more in the applicant;
  - vii. disclose any other trade names used by the applicant and the state in which the trade name was/is used;
  - viii. disclose and describe any data breaches associated with customer proprietary information that occurred in any jurisdiction within the 36 months preceding the date of registration, as well as any actions taken by the applicant in response to the incident(s);
  - ix. disclose and describe specific policies and procedures established by the applicant to secure customer data; and
  - x. disclose any history of bankruptcy, dissolution, merger, or acquisition activities in the 36 months preceding the date of registration, including data for affiliates of the Energy Broker or Energy Consultant applicant and upstream owners and subsidiaries.
- b. A sample standard agreement between the Energy Broker or Energy Consultant and the customer;
- c. Sample forms of the notices sent upon assignment of sales agreements, discontinuance of service, or transfer of customers to other providers;
- d. Procedures used to obtain customer authorization for access to a customers' historic usage or credit information;
- e. Sample copies of informational and promotional materials that the applicant uses for mass marketing purposes;
- f. Sample disclosures of compensation;
- g. Proof of registration with the New York State Department of State or proof of an assumed name certificate (DBA) filed with the county clerk.
- h. Proof of registration to act as a marketer in any municipality where such registration is required;
- i. An annual \$500 registration fee;
- j. A demonstration of financial accountability in the form of either:
  1. An irrevocable standby letter of credit issued by a reputable financial institution in the amount of \$100,000 for registering Energy Brokers and \$50,000 for registering Energy Consultants, that meets the following conditions:
    - 1.. The New York State Department of Public Service shall be named as beneficiary and the letter of credit applicant shall be clearly named;
    2. Any number of partial drawings shall be permitted from time to time;
    3. The process for making a drawing, including any required forms and communications or delivery instructions shall be stated;
    4. If a drawing is made, payment shall be made to the beneficiary within 5 business days;
    5. Any expiration date shall be specified and options for renewal, including automatic renewal, shall be stated.
    6. The applicant's filing for bankruptcy, receivership, or any other debt-relief petition shall in no way affect the issuer's liability to the beneficiary under the letter of credit.

7. All commissions, fees, and other charges with respect to the letter of credit shall be paid by the applicant;
  8. Except for increases to the amount, the letter of credit shall not be amended, changed, or modified without express written consent of the beneficiary;
  9. The beneficiary shall not be deemed to have waived any rights under the letter of credit unless an authorized representative thereof has signed a dated written waiver. No such waiver, unless expressly stated therein, shall be effective as to any subsequent transaction, nor to any continuance of a breach; and
  10. If the beneficiary should require a replacement of the letter of credit due to loss or destruction of the original, the issuer will provide one upon request; or
- ii. A surety bond issued by a reputable financial institution on a form to be prescribed by the Department with a penal sum of \$100,000 for registering Energy Brokers; and \$50,000 for registering Energy Consultants, that meets the following conditions:
1. The New York State Department of Public Service shall be named as the obligee;
  2. As a condition of the bond, the applicant and its employees are required to comply with all applicable provisions of the laws of the State of New York and the rules, regulations, and orders of the Commission and of the Department, including, but not limited to, the Uniform Business Practices and the Uniform Business Practices for Distributed Energy Resource Suppliers;
  3. If the applicant breaches the bond's conditions, the Department may recover against the bond for the reimbursement of fees or other charges that the Department has determined were improperly collected from customers; for the payment of past due fees or other charges owed by the applicant to the Department, including any unpaid penalties; and for any customer reimbursements or other remedial or financial obligations of the applicant in the event of the applicant's insolvency, liquidation, or bankruptcy or the expiration, surrender, or revocation of the applicant's registration;
  4. Immediately upon recovery on any claim or action on or under the bond, the applicant shall file a new or supplemental bond restoring the face amount of the bond to the required amount;
  5. The bond shall be continuous and shall remain in force until the surety is released from liability by the Department or until the bond is canceled by the surety. Without prejudice to any liability accrued prior to the cancellation, the surety may cancel the bond on ninety days' advance notice in writing sent by mail to the applicant and to the Department;
  6. The bond's termination shall not terminate or otherwise affect any liability of the applicant or its employees to its customers or to the Department;
  7. The surety will give prompt notice to the applicant and to the Department of any notice received or action filed alleging the insolvency or bankruptcy of the surety or alleging any violations of regulatory requirements which could result in suspension or revocation of the surety's authority to do business. In the event the surety becomes unable to fulfill its obligation under the bond for any reason, notice shall be given immediately to the applicant and to the Department;
  8. All commissions, fees, and other charges with respect to the surety bond shall be paid by the applicant.
- k. A completed Service Provider Contact Form, which can be found on the Department's website <http://www.dps.ny.gov>, identifying the Energy Broker or Energy Consultant's employee(s) responsible for resolving consumer complaints received by the Department and referred to the Energy Broker or Energy Consultant; and
- l. An Officer Certification document sworn to by a high-level officer of the applicant, such as the Chief Executive Officer, President, or the equivalent, in which the officer affirms that the information contained in the registration package is accurate and truthful, and that the applicant is willing and able to comply with all applicable laws and regulations, including these UBPs.
2. An applicant that knowingly makes false statements in its registration package is subject to denial or revocation of approval.
  3. If the registration package contains information that is a trade secret or sensitive for security reasons, the applicant may request that the Department withhold disclosure of the information, pursuant to the Freedom of Information Law (Public Officers Law Article 6) and Public Service

Commission regulations (16 NYCRR §6-1.3).

C. Department Review Process

1. The Department shall review the Registration Form information and documentation submitted by each applicant and make a determination as to the applicant's likelihood of compliance with the LIPA Uniform Business Practices (UBP) if the applicant's registration was approved. To enable the Department to make a thorough assessment of a registration, an applicant shall notify the Department of any major changes in the information submitted in the Registration Form and/or registration package that occurs during the Department review process.
2. Following its review of the registration information and documentation, the Department shall advise the applicant, in writing, if the registration package is approved and the applicant is registered to operate in the State.
3. If following its review of the registration package information and documentation the Department determines that the applicant is not likely to comply with the LIPA UBP if the applicant were deemed eligible, the Department may recommend to the Commission that, for good cause shown, the Commission deny the applicant's registration.
4. In any instance that the Department recommends to the Commission that an applicant's registration be denied, the applicant shall be afforded an opportunity to provide the Commission with a response in rebuttal to the Department's recommendation and in support of its registration before the Commission renders a final determination.
5. The Department shall periodically review the registration packages of each Energy Broker and Energy Consultant operating in New York State and make a recommendation to the Commission if the Department finds that the Energy Broker or Energy Consultant should not be permitted to continue operating in New York State.

D. Maintaining and Updating Registration

1. An Energy Broker or Energy Consultant shall submit by August 31st each year:
  - a. a statement that the information and attachments in its Registration Form and registration package are current; or
  - b. a description of revisions to the Registration Form and registration package and a copy of the revised portions or, at the Energy Broker or Energy Consultant's option, a copy of the revised portions identifying the revisions by highlighting or other means;
  - c. An Officer Certification document, as required by Sub-section B.1.i of this Section; and
  - d. The required annual registration fee.
2. An Energy Broker or Energy Consultant shall submit at other times during the year:
  - a. A description of any major change in the Registration Form and/or application package and a copy of the revised portions or, at the Energy Broker or Energy Consultant's option, a copy of the revised portions identifying the revisions by highlighting or other means. For purposes of this Section, the term, "major change," means a revision in the terms and conditions applicable to the business relationship between the Energy Broker or Energy Consultant and its customers.
  - b. Changes in marketing plans, including changes to the list required in Sub-section B.1.a.iii of this Section.
  - c. Changes in the Energy Broker or Energy Consultant's business and customer service information displayed on the Department's Website.
  - d. Changes in personnel responsible for resolving consumer complaints received by the Department and referred to the Energy Broker or Energy Consultant.

E. Marketing

1. This sub-section describes the standards that Energy Brokers and Energy Consultants must follow when marketing to customers in New York State. Nothing in this Section shall be read to modify or remove the marketing standards contained in LIPA UBP Section 10.
  - a. Energy Brokers and Energy Consultants shall ensure that the training of their employees and/or marketing representatives includes:
    - i. Knowledge of this Section and awareness of the other Sections of the LIPA UBP;
    - ii. Knowledge of the products and services for which the Energy Broker or Energy Consultant is marketing;
    - iii. Knowledge of product rates/cost, payment options and the customers' right to cancel, including the applicability of an early termination fee;



or Energy Consultant or where the customer or another third party informs the Energy Broker or Energy Consultant of this circumstance, the Energy Broker or Energy Consultant will immediately transfer the customer to a representative who speaks the customer's language, if such a representative is available, or terminate the call; vi. Remove Customers' names from the marketing database upon Customers' request.

vii. Provide any written materials, including but not limited to contracts, sales agreements, and marketing materials to the customer in the same language utilized to solicit the customer.

d. Conduct when Marketing: Energy Brokers and Energy Consultants shall:

i. Not engage in misleading or deceptive conduct as defined by State or federal law, or by Commission rule, regulation, or Order;

ii. Not make false or misleading representations including misrepresenting rates or savings of certain energy products and services;

iii. Provide the customer with written information, upon request, or with a website address at which information can be obtained, if the customer requests such information via the internet;

iv. Use reasonable efforts to provide accurate and timely information about services and products. Such information will include information about rates, contract terms, early termination fees, and right of cancellation consistent with this Section, LIPA UBP Section 2, and any other relevant Section;

v. Ensure that any product or service offerings marketed by an Energy Broker or Energy Consultant contain information written in plain language that is designed to be understood by the customer. This shall include providing any written information to the customer in a language in which the Energy Broker or Energy Consultant has substantive discussions with the customer or in which a contract is negotiated;

vi. Investigate customer inquiries and complaints concerning marketing practices within five days of receipt of the complaint; and,

vii. Cooperate with the Department and Commission regarding marketing practices proscribed by the LIPA UBP and with local law enforcement in investigations concerning deceptive marketing practices.

e. Dispute Resolution: Energy Brokers and Energy Consultants shall maintain an internal process for handling customer complaints and resolving disputes arising from marketing activities and shall respond promptly to complaints forwarded by the Department.

2. Disclosure of compensation

a. Energy Brokers and Energy Consultants shall disclose to customers the form and amount of compensation via a conspicuous statement on any contract or agreement between the energy agent, consultant, broker, or intermediary and its customer.

b. All such disclosures shall include any dollar amount paid, the form in which the compensation was given to the Energy Broker or Energy Consultant, the entity which made the payment, and any broker fee or margin which was added to the energy product or service the customer enrolled in. This disclosure must include anything of value that was given as compensation to the Energy Broker or Energy Consultant for their work, including commissions, bonuses, and any non-financial compensation.

c. In instances where the Energy Broker or Energy Consultant has a direct contractual relationship with the customer, this disclosure shall be included on the first page of the customer agreement, must be in plain language, and appear in 12-point font size or larger.

d. In instances where the Energy Broker or Energy Consultant does not have a direct contractual relationship with the customer, an Energy Broker or Energy Consultant shall disclose to the customer in a separate, written communication any fee splitting arrangement, including the third party receiving the fee and the amount or percentage of fee that the third party will receive.

e. If a third party, such as an ESCO or DERS, collects compensation on behalf of the Energy Broker or Energy Consultant, such compensation shall be added to the Customer Disclosure Statement in the third party's customer agreement and reflect the amount and method. In this instance, the Energy Broker or Energy Consultant shall still disclose this information at the time of marketing to the customer.

3. Prohibition on Rebates

a. No Energy Broker, Energy Consultant or any other person acting for or on behalf of the Energy Broker or Energy Consultant shall offer or make, directly or indirectly, any rebate of any portion of the fee, premium or charge made, or pay or give to any applicant, or to any person, firm, or

corporation acting as agent, representative, attorney, or employee of the energy rate payer or any interest therein, either directly or indirectly, any commission, any part of its fees or charges, or any other consideration or valuable thing, as an inducement for, or as compensation for, any energy supply or energy-related business.

i. An applicant; any person, firm, or corporation acting as agent, representative, attorney, or employee of the energy rate payer or of the prospective energy rate payer; or anyone having any interest in the real property shall not knowingly receive, directly or indirectly, any such rebate or other consideration or valuable thing.

ii. Any person or entity who violates these prohibitions is subject to a penalty equal to the greater of \$5,000 or up to ten times the amount of compensation or rebate received or paid.

#### F. Customer Inquiries

1. This sub-section establishes requirements for responses by an Energy Broker or Energy Consultant to retail access customer inquiries. An Energy Broker or Energy Consultant shall respond to customer inquiries sent by means of electronic mail, telecommunication services, mail, or in meetings. The subjects raised in inquiries may result in the filing of complaints.

##### 2. General Requirements:

a. Energy Brokers and Energy Consultants shall provide consistent and fair treatment to customers.

b. Energy Brokers and Energy Consultants shall maintain processes and procedures to resolve customer inquiries without undue discrimination and in an efficient manner and provide an acknowledgement or response to a customer inquiry within 2 days and, if only an acknowledgement is provided, a response within 14 days.

c. Energy Brokers and Energy Consultants shall provide local or toll-free telephone access from the customer's service area to customer service representatives (CSRs) responsible for responding to customer inquiries and complaints. This shall either be the local or toll-free telephone number of the Energy Broker or Energy Consultant or the local or toll-free telephone number of the third-party on whose behalf of the Energy Broker or Energy Consultant is marketing.

d. CSRs shall obtain information from the customer to access and verify the account or premises information. Once verification is made, the CSR shall determine the nature of the inquiry, and, based on this determination, decide whether the distribution utility, the ESCO, or the Energy Broker/Consultant is responsible for assisting the customer.

e. The CSR shall follow normal procedures for responding to inquiries. If the inquiry is specific to another provider's service, the CSR shall take one of the following actions:

i. Forward/transfer the inquiry to the responsible party;

ii. Direct the customer to contact the responsible party; or,

iii. Contact the responsible party to resolve the matter and provide a response to the customer.

f. Energy Brokers and Energy Consultants may provide a teletypewriter (TTY) system or access to TTY number, consistent with distribution utility tariffs.

##### 3. Specific Requests for Information

a. An Energy Broker or Energy Consultant shall respond directly to customer inquiries for any information that is related to commodity supply and/or delivery service, to the extent it has the necessary information to respond.

b. The entity responsible for the accuracy of meter readings shall respond to customer inquiries related to usage.

##### 4. Emergency Contacts

a. An emergency call means any communication from a customer concerning an emergency situation relating to the distribution system, including, but not limited to, reports of gas odor, natural disaster, downed wires, electrical contact, or fire.

b. If contacted with an emergency telephone call, the Energy Broker or Energy Consultant CSR shall transfer emergency telephone calls directly to the distribution utility or provide the distribution utility's emergency number for direct contact to the distribution utility. If no Energy Broker or Energy Consultant CSR is available, the Energy Broker or Energy Consultant shall provide for after-hours emergency contacts, including transfer of emergency calls directly to a distribution utility or an answering machine message that includes an emergency number for direct contact to the distribution utility.

#### G. Customer Data

1. Energy Brokers and Energy consultants must protect against the unauthorized disclosure of confidential customer information.

2. Energy Brokers and Energy Consultants are prohibited from selling, disclosing or providing any customer information obtained from a distribution utility or from the customer themselves to others, including their affiliates, unless such sale, disclosure or provision is required to facilitate or maintain service to the customer, or is specifically authorized by the customer, or required by legal authority. If such authorization is requested from the customer, the Energy Broker and Energy Consultant shall, prior to authorization, describe to the customer the information it intends to release and the recipient of the information.

3. NIST Cybersecurity Framework. Energy Brokers and Energy Consultants that obtain customer information from the distribution utility must have processes and procedures in place regarding cybersecurity consistent with the National Institute of Standards and Technology Cybersecurity Framework.

4. Data Security. Energy Brokers and Energy Consultants that obtain customer information from the distribution utility must comply with any data security requirements imposed by Commission rules.

#### H. Enforcement

1. An Energy Broker or Energy Consultant may be subject to consequences for reasons, including, but not limited to:

- a. false or misleading information in the registration package;
- b. failure to adhere to the policies and procedures described in any contract with customers;
- c. failure to comply with required customer protections;
- d. failure to comply with applicable New York Independent System Operator (NYISO) requirements, reporting requirements, or Department oversight requirements;
- e. failure to provide notice to the Department of any material changes in the information contained in the Registration Form or registration package;
- f. failure to comply with the LIPA UBP terms and conditions, including discontinuance requirements;
- g. failure to comply with the Commission's Environmental Disclosure Requirements or failure to comply with other Commission Orders, Rules, or Regulations;
- h. failure to reply to a complaint filed with the Department and referred to the Energy Broker or Energy Consultant within the timeframe established by the Department' Office of Consumer Services which is not less than five days;
- i. a material pattern of consumer complaints on matters within the Energy Broker or Energy Consultant's control;
- j. failure to comply with any federal, state, or local laws, rules, or regulations related to sales or marketing; or 'No Solicitation' signage on the premises; or
- k. failure to comply with any of the Marketing Standards set forth in Section 10 of the LIPA UBP.

2. In determining the appropriate consequence for a failure or non-compliance in one or more of the categories set forth in this Section, the Commission or Department may take into account the nature, the circumstances, including the scope of harm to individual customers, and the gravity of the failure or non-compliance, as well as the Energy Broker or Energy Consultant's history of previous violations.

a. Enforcement Procedures:

i. The Commission or Department shall either: (a) notify the Energy Broker or Energy Consultant in writing of its failure to comply and request that the Energy Broker or Energy Consultant take appropriate corrective action or provide remedies within the directed cure period, which will be based on a reasonable amount of time given the nature of the issue to be cured; or (b) order that the Energy Broker or Energy Consultant show cause why a consequence should not be imposed.

ii. The Commission may impose the consequences listed in LIPA UBP Section H.2.b. if (a) Energy Broker or Energy Consultant fails to take corrective actions or provide remedies within the cure period; or (b) the Commission determines that the incident or incidents of non-compliance are substantiated and the consequence is appropriate.

iii. Consequences shall not be imposed until after the Energy Broker or Energy Consultant is provided notice and an opportunity to respond.

iv. Notwithstanding the requirements of sub-sections i., ii., and iii. of this paragraph, an Energy Broker or Energy Consultant is subject to immediate revocation of its registration if it fails to provide the required annual registration fee.

v. The notice of consequences imposed by the Commission will be published on the Department's website.

b. Consequences for non-compliance in one or more of the categories set forth in this Section may include one or more of the following restrictions on an Energy Broker or Energy Consultant's

opportunity to do business as an Energy Broker or Energy Consultant in New York State:

i. Suspension from a specific Commission approved program in either a specific service territory or all territories in New York State;

ii. Suspension of the ability to enroll new customers in either a specific service territory or all service territories in New York State;

iii. Imposition of a requirement to record all telephonic and door-to-door marketing presentations, which shall be made available to the Department for review;

iv. Reimbursements to customers who did not receive savings promised in the Energy Broker or Energy Consultant's sales agreement/Customer Disclosure Statement or included in the Energy Broker or Energy Consultant's marketing presentation, or to customers who incurred costs as a result of the Energy Broker or Energy Consultant's failure to comply with the marketing standards set forth in LIPA UBP Section 10;

v. Release of customers from sales agreements without imposition of early termination fees;

vi. Revocation of an Energy Broker or Energy Consultant's registration and ability to operate in New York State; and,

vii. Any other measures that the Commission may deem appropriate.

c. In addition to the consequences identified at LIPA UBP Section 11.H.2.b., any person, firm, association, or corporation who or which acts in violation of Public Service Law §66-t(2), and codified in this Section, will be subject to a penalty not to exceed \$5,000 for each violation.

3. An Energy Broker or Energy Consultant's registration is valid unless: the Energy Broker or Energy Consultant fails to pay its annual registration fee; the Energy Broker or Energy Consultant abandons its registration; or such registration is revoked by the Commission through a final order. Additionally, any person or entity who violates this Section's prohibitions on rebates is subject to a penalty equal to the greater of \$5,000 or up to ten times the amount of compensation or rebate received or paid.

4. The Department shall maintain a list of registered Energy Brokers and Energy Consultants for the benefit of third parties who do business with such Energy Brokers and Energy Consultants. As stated in LIPA UBP Section 2B, DER suppliers are prohibited from doing business with unregistered Energy Brokers and Energy Consultants.

**ATTACHMENT 1**  
**Formula Rate Template**



# **Annual Transmission Revenue Requirement**

## **Public Policy Transmission Need**

### **LIPA Designated Project**

**Formula Rate Template**

**Long Island Power Authority  
Annual Transmission Revenue Requirement  
Formula Rate Template  
Index**

<b><u>Name</u></b>	<b><u>Description</u></b>
Summary	Annual Revenue Requirement
1 O&M Expense	Operation & Maintenance Expense Summary
2 A&G Expense	Administrative And General Expenses
3 Depreciation	Annual Depreciation & Amortization Expenses
4 Rate Base	Rate Base Calculation
5 Project Specific Adjustment	Revenue Requirement Adjustment - Project Specific
6 Project Spec IR	Project Specific Incentive Return
6a Incentive Return	Information for Incentive Return Calculations
7 Capital Structure B	Base Capital Structure And Cost Of Capital
8 True Up	True Up
A.1 Accounting Inputs	FERC Accounting Input - LIPA
A.2 Rate Base Adjustments	Rate Base Adjustment Items Supported by Work Papers
A.3 T&G Plant	Accounting (T&G Plant) Input - LIPA
A.4 Step Up Transformers	Step Up Transformers Removal
A.5 Land	Land Held for Future Use
A.6 Project Specific_ACC _PPTN	PPTN Specific Accounting Information
B.1 LIPA Depreciation	LIPA Transmission Plant and General Plant Depreciation
C.1 Capital Structure Inputs	Input for Capital Structure and Cost of Funds
D.1 Taxes	Payment in Lieu of Taxes
E.1 Labor	Labor Ratio Calculations

Attachment 1 - Formula Rate Template

Line Item	Item Description	Source
1	Operation & Maintenance Expense	<input type="text"/> O&M Expense (FERC Accounts 560-573)
2	Administration & General Expenses	<input type="text"/> A&G Expense (FERC Accounts 920-935)
3	Depreciation & Amortization Expense	<input type="text"/> Depreciation Expense (Project Specific Depreciation + Depreciation for FERC Accounts 390-399)
4	<b>TOTAL OPERATING EXPENSE</b>	<input type="text" value="\$ -"/> O&M + A&G + Depreciation Expense
5	<b><u>RATE BASE</u></b>	<input type="text" value="\$ -"/> Rate Base
6	Return on Rate Base	<input type="text"/> Rate Base * Rate of Return
6a	Total Project Specific Return Adjustment	<input type="text"/> Project Specific Adjustment
7	<b>TOTAL REVENUE REQUIREMENT</b>	<input type="text"/> Operating Expense + Return on Rate Base + Project Specific Return Adjustments
8	Incentive Return	<input type="text" value="\$ -"/> Project Specific Incentive Return
9	True-up Adjustment	<input type="text" value="\$ -"/> True Up
10	Taxes (PILOT)	<input type="text" value="\$ -"/> Taxes
11	<b>NET ADJUSTED REVENUE REQUIREMENT</b>	<input type="text"/> (sum lines 7-10)

Line Item	FERC Account Number	Account Description	Account Balance	Source	PPTN Ratio	Total O&M Allocated to PPTN
<b>Operation:</b>						
1	560	Supervision & Engineering	\$ -	A.1 Accounting Inputs Line 219		
2	561	Load Dispatching	\$ -	A.1 Accounting Inputs Line 220-225		
3	562	Station Expenses	\$ -	A.1 Accounting Inputs Line 226		
4	563	Overhead line expense	\$ -	A.1 Accounting Inputs Line 227		
5	564	Underground line expenses	\$ -	A.1 Accounting Inputs Line 228		
6	566	Misc. Trans. Expenses	\$ -	A.1 Accounting Inputs Line 229		
7		<b>Total Operation</b>	<u>\$ -</u>	(sum lines 1-6)		
<b>MAINTENANCE:</b>						
8	568	Supervision & Engineering	\$ -	A.1 Accounting Inputs Line 229		
9	569	Structures	\$ -	A.1 Accounting Inputs Line 233		
10	570	Station Equipment	\$ -	A.1 Accounting Inputs Line 234		
11	571	Overhead Lines	\$ -	A.1 Accounting Inputs Line 235		
12	572	Underground Lines	\$ -	A.1 Accounting Inputs Line 236		
13	573	Misc. Transm. Plant	\$ -	A.1 Accounting Inputs Line 237		
14		<b>Total Maintenance</b>	<u>\$ -</u>	(sum lines 8-13)		
15		<b>TOTAL O&amp;M</b>	<u>\$ -</u>	(sum lines 7 & 14)		
<b>ADJUSTMENTS:</b>						
16		Step-Up Transformers		A.4 Step up Transformers		
17		Other	<u>\$ -</u>			
18						
19		<b>TOTAL ADJUSTMENTS</b>	<u>\$ -</u>	(sum lines 16-17)		
20		<b>TOTAL ADJUSTED O&amp;M TRANSMISSION</b>	<u>\$ -</u>	(sum lines 15 & 19)		

Line Item	FERC Account Number	Account Description	Total	Source	Labor Ratio	PPTN Ratio	Transmission (\$)
1	920	A&G Salaries	\$ -	A.1 Accounting Inputs Line 286			
2	921	Office Supplies & Expenses	\$ -	A.1 Accounting Inputs Line 287			
3	922	Admin. Exp. Transferred-Cr	\$ -	A.1 Accounting Inputs			
4	923	Outside Services Employed	\$ -	A.1 Accounting Inputs Line 288			
5	924	Property Insurance	\$ -	A.1 Accounting Inputs Line 289			
6	925	Injuries & Damages Insurance	\$ -	A.1 Accounting Inputs Line 290			
7	926	Employee Pensions & Benefits	\$ -	A.1 Accounting Inputs Line 291			
8	928	Reg. Commission Expenses	\$ -	A.1 Accounting Inputs Line 292			
9	930	Obsolete/Excess Inv	\$ -	A.1 Accounting Inputs Line 293-294			
10	931	Rents	\$ -	A.1 Accounting Inputs Line 295			
11	935	Maint of General Plant A/C 932	\$ -	A.1 Accounting Inputs Line 296			
12		<b>TOTAL</b>	\$ -	(sum lines 1-11)			
13		<b>TOTAL A&amp;G Expense</b>	\$ -	Line 12			

Exhibit B-3-1 LIPA Public Policy Transmission Need ("PPTN") Formula Rate Template

Attachment 1 - Formula Rate Template

LIPA Regulated Transmission Facilities Charge

<u>Line Item</u>	<u>FERC Account Number</u>	<u>Account Description</u>	<u>Source</u>	<u>Transmission</u>	<u>General Plant</u>	<u>Transmission Labor Ratio</u>	<u>General Plant Allocated to Transmission</u>	<u>PPTN Ratio</u>	<u>Total Annual Depreciation Allocation</u>
1	390	Structures & Improvements	B.1 LIPA Depreciation Line 14		\$ -				
2	391	Office Furniture & Equipment	B.1 LIPA Depreciation Line 15		\$ -				
3	392	Transportation Equipment	B.1 LIPA Depreciation Line 16-18		\$ -				
4	393	Stores Equipment	B.1 LIPA Depreciation		\$ -				
5	394	Tools, Shop & Garage Equipment	B.1 LIPA Depreciation Line 19		\$ -				
6	395	Laboratory Equipment	B.1 LIPA Depreciation Line 20		\$ -				
7	396	Power Operated Equipment	B.1 LIPA Depreciation Line 21		\$ -				
8	397	Communication Equipment	B.1 LIPA Depreciation Line 22		\$ -				
9	398	Miscellaneous Equipment	B.1 LIPA Depreciation Line 23		\$ -				
10	399	Other Tangible Property	B.1 LIPA Depreciation		\$ -				
11		<b>Unadjusted General Plant Depreciation</b>							
<b>Project Specific Depreciation - LIPA PPTN</b>									
12	352	Structures and improvements	A.6 Project Specific_ACC_PPTN Line 3	\$ -					
13	353	Station equipment	A.6 Project Specific_ACC_PPTN Line 4	\$ -					
14	354	Towers and fixtures	A.6 Project Specific_ACC_PPTN Line 5	\$ -					
15	355	Poles and fixtures	A.6 Project Specific_ACC_PPTN Line 6	\$ -					
16	356	Overhead conductors and devices	A.6 Project Specific_ACC_PPTN Line 7	\$ -					
17	357	Underground conduit	A.6 Project Specific_ACC_PPTN Line 8	\$ -					
18	358	Underground conductors and devices	A.6 Project Specific_ACC_PPTN Line 9	\$ -					
19		<b>TOTAL</b>	(Sum lines 1-18)	\$ -	\$ -				

Item Description	Source	Account Total	Transmission Labor Ratio	General Plant Allocated to Transmission	PPTN Allocation	Total Transmision	Rate of Return	Return on Rate Base
A) Net Electric Plant in Service								
Net Transmission Plant	A.1 Accounting Inputs	\$ -						
Net General Plant	A.1 Accounting Inputs	\$ -						
B) Rate Base Adjustments								
* Cash Working Capital	O&M + A&G							
* Materials & Supplies	A.2 Rate Base Adjustments Line 2	\$ -				\$ -		
* Prepayments	A.2 Rate Base Adjustments Line 3	\$ -				\$ -		
* Land Held for Future Use	A.5 Land Line 1	\$ -				\$ -		
* CWIP	A.2 Rate Base Adjustments Line 1	\$ -				\$ -		
* Abandoned Plant	A.2 Rate Base Adjustments Line 4	\$ -				\$ -		
* Regulatory Asset	A.2 Rate Base Adjustments Line 5	\$ -				\$ -		
<b>TOTAL (sum lines 2-11)</b>						\$ -		

Line Item	Item Description	Source	Structure	Cost Rate	Weighted Average
<b><u>Project XXXX</u></b>					
1	Long Term Debt	Capital Structure Inputs	49.00%	xx.xx%	
2	Total Debt	Capital Structure Inputs	49.00%		
3	Equity	Capital Structure Inputs	51.00%	9.75%	4.97%
4	WACC		100%		
5	Project Net Plant	6 Project Spec IR Line 1a			\$ -
6	Project Base Return	7 Capital Structures Line 4 * Line 5			
7	Project Allowed Return	Line 4 * Line 5			
8	Project XXXX Specific Retrun Adjustment	Line 7 - Line 6			
9	<u>Total Project Adjustments</u>				<input type="text"/>

Exhibit B-3-1 LIPA Public Policy Transmission Need ("PPTN") Formula Rate Template

Attachment 1 - Formula Rate Template

LIPA Regulated Transmission Facilities Charge

Line Item	Item Description	Source	Total	Notes
1	Gross Transmission Plant - Total	A.3 T&G Plant Line 13	\$ -	
1a	Transmission Accumulated Depreciation	A.3 T&G Plant Plant Line 13 Depreciation	\$ -	
1b	Transmission CWIP, Regulatory Asset and Abandoned Plant	4 - Rate Base Sum Lines 9,10,11	\$ -	
2	Net Transmission Plant - Total	Line 1-Line 1a- Line 1b	\$ -	
<b>O&amp;M TRANSMISSION EXPENSE</b>				
3	Total O&M Allocated to Transmission	O&M + A&G		
<b>GENERAL DEPRECIATION EXPENSE</b>				
5	Total General Depreciation Expense	3 - Depreciation Line 19		
6	<b>Annual Allocation Factor for Expenses</b>	Formula (Line 3 + Line 5)/Line 1		
<b>RETURN</b>				
7	Return on Rate Base	4 - Rate Base Line 12		
8	<b>Annual Allocation Factor for Return on Rate Base</b>	Line 7/Line 2		

Line No.	Project Name and #	Type	Project Gross Plant (\$)	Project Accumulated Depreciation (\$)	Annual Allocation Factor for Expenses	Annual Allocation for Expenses (\$)	Project Net Plant (\$)	Annual Allocation Factor for Return	Annual Return Charge (\$)	Project Depreciation/Amortization Expense (\$)	Annual Revenue Requirement (\$)	Incentive Return in basis Points Per Approval	Incentive Return (\$)	Discount	Project Specific Capital Structure and Cost Of Capital	Total Annual Revenue Requirement (\$)	True-Up Adjustment (\$)	Net Revenue Requirement (\$)
					Line 6	Col. 3 * Col. 5			(Col. 7 * Col. 8)	(Note E)	(Sum Col. 6, 9 & 10)		Col. 7 * Col. 12			(Sum Col. 11 + 13 + 14 + 14a)	True Up Line 2	Sum Col. 15 + 16
1a	XXXX																	
1b																		
1c																		
1d																		
1e																		
1f																		
1g																		
1h																		
1i																		
1j																		
1k																		
1l																		
1m																		
Total			\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -		\$ -	\$ -		\$ -	\$ -	\$ -

Line Item	Item Description	Source	Structure	Cost Rate	Weighted Average	Notes
1	<b>Long Term Debt</b>	Capital Structure	49.00%	xx.xx%		Cost of LIPA's Long term Taxable Debt
2	<b>Total Debt</b>	Capital Structure	49.00%			
3	<b>Equity</b>	Capital Structure with Cost Rate adjusted	51.00%	xx%		
4	<b>WACC</b>	Capital Structure	100.00%			
5	<b>Rate Base</b>	4 - Rate Base Lines 2-11				
6	<b>100 Basis Point Incentive Return multiplied by Rate Base</b>	Line 4* Line 5				
7	<b>Return on Rate Base</b>	Line 5 * Capital Structure B Line 4				
8	<b>Incremental Return for 100 basis point increase in ROE</b>	Line 6 - Line 7				
9	<b>Net Transmission Plant</b>	4 - Rate Base Line 2			\$	-
10	<b>Incremental Return for 100 basis point increase in ROE divided by Rate Base</b>	Line 8/Line 9				

<b>Line Item</b>	<b>Item Description</b>	<b>Source</b>	<b>Structure</b>	<b>Cost Rate</b>	<b>Weighted Average</b>	<b>Notes</b>
1	<b>Long Term Debt</b>	C.1 Capital Structure Inputs Line 1	49.00%	xx.xx%		Cost of LIPA's Long term Taxable Debt
2	<b>Total Debt</b>		49.00%			
3	<b>Equity</b>	C.1 Capital Structure Inputs Line 2	51.00%	9.75%	4.97%	
4	<b>WACC</b>		100%		<input type="text"/>	

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)
Line No.	Project Name	Project Number	Actual Revenues Received	Actual Net Revenue Requirement	True-Up Adjustment Principal Under/(Over)	Prior Period Adjustment	Applicable Interest Rate on Under/(Over)	True-Up Adjustment Interest Under/(Over)	Total True-Up Adjustment
			Amount Actually Received	ARR Using Actual Cost Data	Col. (E) - Col. (D)	If Applicable	Line No. 3	(Column F + Column G) x Column H x # of months	Column F + Column G + Column I
1a			-	-	-		0%	-	-
1b			-	-	-		0%	-	-
1c			-	-	-		0%	-	-
1d			-	-	-		0%	-	-
1e									
...									
...									
2	Total								-

**Notes**

The interest rate in cell P& is a placeholder interest rate taken from FERC. It should be updated regularly based on a combination of FERC guidance and LIPA's circumstances. Currently there are no True Up Adjustments as this is the first PPTN filing and therefore nothing to True Up. This will be used in the future.

	Interest Rate	Source
3	0.00%	<a href="https://www.ferc.gov/interest-calculation-rates-and-methodology">https://www.ferc.gov/interest-calculation-rates-and-methodology</a>

Published @ <https://www.ferc.gov/interest-calculation-rates-and-methodology>

Applicable Annual Quarter	Annual Rate	Monthly Rate	Monthly Rate
Second Quarter 20xx	0.00%	Jun	0.00%
		May	0.00%
		Apr	0.00%
First Quarter 20xx	0.00%	Mar	0.00%
		Feb	0.00%
		Jan	0.00%
Fourth Quarter 20xx	0.00%	Dec	0.00%
		Nov	0.00%
		Oct	0.00%
Third Quarter 20xx	0.00%	Sep	0.00%
		Aug	0.00%
		Jul	0.00%
Second Quarter 20xx	0.00%	Jun	0.00%
		May	0.00%
		Apr	0.00%
First Quarter 20xx	0.00%	Mar	0.00%
		Feb	0.00%
		Jan	0.00%

Exhibit B-3-1 LIPA Public Policy Transmission Need ("PPTN") Formula Rate Template

Attachment 1 - Formula Rate Template

Account Inputs & Adjustments				Account Balances	
Line No.	FERC No.	Account Description	Allocators	20XX (in \$000)	20XX -1 (in \$000)
<b>Revenue</b>					
1		Delivery Charge (RDM Target)		-	-
2		T&D Property Tax (RDM Target)		-	-
3		Merchant Function Charge (RDM Target)		-	-
4		Power Supply Charge		-	-
5		Energy Efficiency and Distributed Energy (DER)		-	-
6		New York State Assessment		-	-
7		Suffolk Property Tax Settlement		-	-
8		Visual Benefits Assessment (VBA)		-	-
9		Revenue Related PILOTS		-	-
10		RDM Collection(Refund)		-	-
11		DSA Collection(Refund)		-	-
12		Other Regulatory Amortizations and Deferrals		-	-
13		Miscellaneous Revenues		-	-
14		Customer Benefit Contribution (CBC)		-	-
15		<b>TOTAL REVENUE</b>		-	-
<b>Expenses</b>					
<b>Fuel and Purchased Power</b>					
16		Capacity Charges		-	-
17		National Grid (PSA)		-	-
18		Purchased Power		-	-
19		Natural Gas		-	-
20		Fuel Oil		-	-
21		Renewable Power		-	-
22		Transmission		-	-
23		Nine Mile Nuclear		-	-
24		Regional Greenhouse Gas Initiative (RGGI)		-	-
25		Zero Emissions Credits		-	-
26		Fuel and Power Supply Management Services		-	-
27		Other		-	-
28		National Grid (PSA) Property Taxes		-	-
29		Fast Track Units Property Taxes		-	-
30		Nine Mile Point Property Taxes		-	-
31		<b>Fuel and Purchased Power</b>		-	-
<b>O&amp;M Expenses</b>					
32		Transmission & Distribution		-	-
33		Business Services		-	-
34		Customer Services		-	-
35		Energy Efficiency & DER		-	-
36		Construction & Operations Services		-	-
37		Power System Management		-	-
38		Emergency Preparedness		-	-
39		Utility 2.0 Costs		-	-
40		Information Technology & Cybersecurity		-	-
41		Asset Management & Reliability		-	-
42		Storm Restoration-T&D		-	-
43		Storm Restoration-Business Services		-	-
44		Storm Restoration-Customer		-	-
45		NYS Assessment		-	-
46		Accretion of Asset Retirement Obligation		-	-
47		Pension (PSEG Operating Expenses)		-	-
48		OPEB (PSEG Operating Expenses)		-	-
49		Miscellaneous		-	-
50		Uncollectible Accounts Delivery		-	-
51		Uncollectible Accounts Fuel & Power		-	-
52		LIPA Operating Expenses		-	-
53		<b>O&amp;M Expenses</b>		-	-
<b>Cash Reductions to O&amp;M</b>					
54		Other Interest Costs		-	-
55		Suffolk Property Tax Settlement (Principal)		-	-
56		Visual Benefits Assessment (Principal)		-	-
57		PSEG Long Island OPEB Expenses		-	-
58		<b>Cash Reductions to O&amp;M</b>		-	-
<b>PILOTS &amp; Taxes</b>					
59		PILOTS - Property-Based Taxes		-	-
60		PILOTS - Revenue-Based Taxes		-	-
61		<b>PILOTS &amp; Taxes</b>		-	-
<b>Other Income and Deductions</b>					
62		Short-Term Investment Income		-	-
63		Suffolk Property Tax Settlement		-	-
64		Visual Benefits Assessment		-	-
65		Nuclear Decommissioning Trust Fund		-	-
66		Earnings on OPEB Account		-	-
67		PSEG Long Island Funding Accounts		-	-
68		Miscellaneous Income and Deductions - LIPA		-	-
69		Miscellaneous Income and Deductions - PSEG Long Island		-	-
70		Build America Bonds Subsidy - U.S. Treasury		-	-
71		Efficiency & DER - RGGI Funding		-	-
72		Other Grant Income		-	-
73		<b>Other Income and Deductions</b>		-	-
<b>Debt Service Plus Coverage</b>					
74		UDSA Debt Service		-	-
75		LIPA Debt Service		-	-
76		Coverage		-	-
77		<b>Debt Service Plus Coverage</b>		-	-
78		<b>TOTAL EXPENSES</b>		-	-
79		<b>Revenue Surplus / (Shortfall)</b>		-	-

	<u>Book Cost</u>	<u>Allocated Reserve</u>	<u>Net Book Value</u>	Depreciation	<u>Book Cost</u>	<u>Allocated Reserve</u>	<u>Net Book Value</u>	Depreciation
<b>Assets: Production Plant - Nuclear Production</b>								
80	320	Land and land rights	-	-	-	-	-	-
81	321	Structures and improvements	-	-	-	-	-	-
82	322	Reactor plant equipment	-	-	-	-	-	-
83	323	Turbogenerator units	-	-	-	-	-	-
84	324	Accessory electric equipment	-	-	-	-	-	-
85	325	Misc. power plant equipment	-	-	-	-	-	-

Exhibit B-3-1 LIPA Public Policy Transmission Need ("PPTN") Formula Rate Template

Attachment 1 - Formula Rate Template

86	326	Asset Retirement Obligations	-	-	-	-	-	-	-
87		<b>Sub-total: Production Plant - Nuclear Production Assets</b>	-	-	-	-	-	-	-
		<b>Assets: Transmission Plant</b>							
88	350	Land and land rights	-	-	-	-	-	-	-
89	351	Crq land and rights of way	-	-	-	-	-	-	-
90	352	Structures and improvements	-	-	-	-	-	-	-
91	353	Station equipment	-	-	-	-	-	-	-
92	354	Towers and fixtures	-	-	-	-	-	-	-
93	355	Poles and fixtures	-	-	-	-	-	-	-
94	356	Overhead conductors and devices	-	-	-	-	-	-	-
95	357	Underground conduit	-	-	-	-	-	-	-
96	358	Underground conductors and devices	-	-	-	-	-	-	-
97		<b>Sub-total: Transmission Plant Assets</b>	-	-	-	-	-	-	-
		<b>Assets: Distribution Plant</b>							
98	360	Land and land rights	-	-	-	-	-	-	-
99	361	Structures and improvements	-	-	-	-	-	-	-
100	362	Station equipment	-	-	-	-	-	-	-
101	364	Poles, towers, and fixtures	-	-	-	-	-	-	-
102	365	Overhead Conductors and Devices Primary	-	-	-	-	-	-	-
103	365	Overhead Conductors and Devices Secondary	-	-	-	-	-	-	-
104	366	Underground conduit	-	-	-	-	-	-	-
105	367	Underground Conductors and Devices Primary	-	-	-	-	-	-	-
106	367	Underground Conductors and Devices Secondary	-	-	-	-	-	-	-
107	368	Line transformers-OH TRANSFORMERS	-	-	-	-	-	-	-
108	368	Line transformers-OH PROTECT EQUIPT	-	-	-	-	-	-	-
109	368	Line transformers-UG TRANSFORMERS	-	-	-	-	-	-	-
110	368	Line transformers-UG PROTECT EQUIPT	-	-	-	-	-	-	-
111	369	Services-OU	-	-	-	-	-	-	-
112	369	Services-UG	-	-	-	-	-	-	-
113	370	Meters	-	-	-	-	-	-	-
114	371	Installations on customers' premises (Outdoor Lights)	-	-	-	-	-	-	-
115	372	Leased assets on customers' property	-	-	-	-	-	-	-
116	373	Street lighting and signal systems	-	-	-	-	-	-	-
117		<b>Sub-total: Distribution Plant Assets</b>	-	-	-	-	-	-	-
		<b>Assets: General Plant</b>							
118	389	Land and land rights	-	-	-	-	-	-	-
119	390	Structures and improvements	-	-	-	-	-	-	-
120	391	Office furniture and equipment-Includes Computers	-	-	-	-	-	-	-
121	392	Transportation equipment-TRAILERS NON OFFICE	-	-	-	-	-	-	-
122	392	Transportation equipment-PASS CARS VANS LIGHT TRUCK	-	-	-	-	-	-	-
123	392	Transportation equipment-HEAVY TRUCKS >=12KLB	-	-	-	-	-	-	-
124	394	Tools, shop, and garage equipment	-	-	-	-	-	-	-
125	395	Laboratory equipment	-	-	-	-	-	-	-
126	396	Power operated equipment	-	-	-	-	-	-	-
127	397	Communication equipment	-	-	-	-	-	-	-
128	398	Misc. equipment	-	-	-	-	-	-	-
129		<b>Sub-total: General Plant Assets</b>	-	-	-	-	-	-	-
130		<b>TOTAL ASSETS</b>	-	-	-	-	-	-	-
		<b>FERC Revenue</b>							
131	440	Residential sales	-	-	-	-	-	-	-
132	442	Commercial and industrial sales	-	-	-	-	-	-	-
133	444	Public street and highway lighting	-	-	-	-	-	-	-
134	445	Other sales to public authorities	-	-	-	-	-	-	-
135	446	Sales to railroads and railways	-	-	-	-	-	-	-
136	447	Sales for resale	-	-	-	-	-	-	-
137	448	Interdepartmental sales	-	-	-	-	-	-	-
138		<b>Sub-total: Sales of Electricity</b>	-	-	-	-	-	-	-
139	449	Provision for Rate Refunds	-	-	-	-	-	-	-
140	450	Forfeited discounts	-	-	-	-	-	-	-
141	451	Miscellaneous service revenues	-	-	-	-	-	-	-
142	454	Rent from electric property	-	-	-	-	-	-	-
143	456	Other electric revenues	-	-	-	-	-	-	-
144	456	Revenues from Transmission of Electricity of Others	-	-	-	-	-	-	-
145		<b>Sub-total: Other Operating Revenues</b>	-	-	-	-	-	-	-
146		<b>TOTAL FERC REVENUE</b>	-	-	-	-	-	-	-
		<b>FERC Expenses</b>							
		<b>Expenses: Operating Nuclear Power Generation</b>							
147	517	Operation supervision and engineering (Major only)	-	-	-	-	-	-	-
148	518	Nuclear fuel expense (Major only)	-	-	-	-	-	-	-
149	524	Miscellaneous nuclear power expenses (Major only)	-	-	-	-	-	-	-
150		<b>Sub-total: Operating Nuclear Power Generation Expenses</b>	-	-	-	-	-	-	-
		<b>Expenses: Operating Other Power Generation</b>							
151	546	Operation supervision and engineering	-	-	-	-	-	-	-
152	547	Fuel	-	-	-	-	-	-	-
153		<b>Sub-total: Operating Other Power Generation Expenses</b>	-	-	-	-	-	-	-
		<b>Expenses: Operating Other Power Supply</b>							
154	555	Purchased power	-	-	-	-	-	-	-
155		<b>Sub-total: Operating Other Power Supply Expenses</b>	-	-	-	-	-	-	-
		<b>Expenses: Operating Regional Market</b>							
156	575.2	Day-ahead and real-time market administration	-	-	-	-	-	-	-
157	575.6	Market monitoring and compliance	-	-	-	-	-	-	-
158		<b>Sub-total: Operating Regional Market Expenses</b>	-	-	-	-	-	-	-
159		<b>TOTAL POWER</b>	-	-	-	-	-	-	-
		<b>Expenses: Transmission - O &amp; M</b>							
160	560	Operation supervision and engineering	-	-	-	-	-	-	-
161	561.2	Load dispatch - Monitor and operate transmission system	-	-	-	-	-	-	-
162	561.4	Scheduling, system control and dispatch services	-	-	-	-	-	-	-
163	561.5	Reliability planning and standards development	-	-	-	-	-	-	-
164	561.6	Transmission service studies	-	-	-	-	-	-	-
165	561.7	Generation interconnection studies	-	-	-	-	-	-	-
166	561.8	Reliability planning and standards development services	-	-	-	-	-	-	-
167	562	Station expenses	-	-	-	-	-	-	-
168	563	Overhead line expense (Major only)	-	-	-	-	-	-	-
169	564	Underground line expenses (Major only)	-	-	-	-	-	-	-
170	566	Misc Transmission Exp	-	-	-	-	-	-	-
171	567	Rents	-	-	-	-	-	-	-
172		<b>Sub-total: Operating Transmission Expenses</b>	-	-	-	-	-	-	-
173	569	Maintenance of structures	-	-	-	-	-	-	-
174	570	Maintenance of station equipment	-	-	-	-	-	-	-
175	571	Maintenance of overhead lines	-	-	-	-	-	-	-
176	572	Maintenance of underground lines	-	-	-	-	-	-	-
177	572	Maintenance of Transmission Plant	-	-	-	-	-	-	-
178		<b>Sub-total: Maintenance Transmission Expenses</b>	-	-	-	-	-	-	-
178		<b>TOTAL TRANSMISSION</b>	-	-	-	-	-	-	-

Exhibit B-3-1 LIPA Public Policy Transmission Need ("PPTN") Formula Rate Template

Attachment 1 - Formula Rate Template

<b>Expenses: Distribution - O &amp; M</b>							
179	580	Operation supervision and engineering	89.07%	-	-	-	-
180	581	Load dispatching	81.83%	-	-	-	-
181	582	Station expenses	74.20%	-	-	-	-
182	583	Overhead line expenses	50.54%	-	-	-	-
183	584	Underground line expenses	49.25%	-	-	-	-
184	585	Meter expenses	82.61%	-	-	-	-
185	587	Customer installation expenses	0.00%	-	-	-	-
186	588	Misc. distribution expenses	40.11%	-	-	-	-
187	589	Rents	1.11%	-	-	-	-
188	<b>Sub-total: Operating Distribution Expenses</b>			-	-	-	-
189	590	Maintenance supervision and engineering	64.32%	-	-	-	-
190	591	Maintenance of Structures	6.10%	-	-	-	-
191	592	Maintenance of station equipment	75.64%	-	-	-	-
192	593	Maintenance of overhead lines	27.38%	-	-	-	-
193	594	Maintenance of underground lines	54.63%	-	-	-	-
194	595	Maintenance of line transformers	52.29%	-	-	-	-
195	597	Maintenance of line meters	0.00%	-	-	-	-
196	598	Maintenance of Misc. distribution plant	79.72%	-	-	-	-
197	<b>Sub-total: Maintenance Distribution Expenses</b>			-	-	-	-
198	<b>TOTAL DISTRIBUTION</b>			-	-	-	-
<b>Expenses: Cust. Accounts Expenses</b>							
199	901	Cust A/C Supervision	0.00%	-	-	-	-
200	902	Meter reading expenses	91.74%	-	-	-	-
201	903	Customer records and collection expenses-Collections	81.38%	-	-	-	-
202	903	Customer records and collection expenses-Revenue Operations	0.00%	-	-	-	-
203	903	Customer records and collection expenses-Customer Service-Call Center	81.38%	-	-	-	-
204	903	Customer records and collection expenses-Customer Service-Customer Offices	81.38%	-	-	-	-
205	903	Customer records and collection expenses-Billing Postage	0.00%	-	-	-	-
206	903	Customer records and collection expenses-BackOffice Billing	81.38%	-	-	-	-
207	903	Customer records and collection expenses-Other	81.38%	-	-	-	-
208	904	Uncollectible accounts	0.00%	-	-	-	-
209	<b>Sub-total: Customer Accounts Expenses</b>			-	-	-	-
210	908	Customer Service Assistance Expenses	13.83%	-	-	-	-
211	908	Customer Service Assistance Expenses-EE	11.29%	-	-	-	-
212	908	Informational and instructional advertising expenses (Major only)	15.01%	-	-	-	-
213	910	Miscellaneous customer service and informational expenses (Major only)	57.52%	-	-	-	-
214	<b>Sub-total: Customer Service &amp; Info Expenses</b>			-	-	-	-
<b>Expenses: Admin &amp; Gen. - O &amp; M</b>							
215	920	Administrative and general salaries		-	-	-	-
216	921	Office supplies and expenses		-	-	-	-
217	923	Outside services employed		-	-	-	-
218	924	Property insurance		-	-	-	-
219	925	Injuries and Damages		-	-	-	-
220	926	Employee pensions and benefits		-	-	-	-
221	928	Regulatory Expenses		-	-	-	-
222	930	General Advertising Expenses		-	-	-	-
223	930	Misc. general expenses		-	-	-	-
224	931	Rents		-	-	-	-
225	935	Maintenance of general plant		-	-	-	-
226	<b>Sub-total: Admin &amp; Gen. - O &amp; M</b>			-	-	-	-
227	<b>TOTAL FERC EXPENSES</b>			-	-	-	-
<b>Other Utility Operating Income/Expense</b>							
228	411	Accretion Expense-Electric		-	-	-	-
229	408	Taxes other than income taxes-Plant		-	-	-	-
230	408	Taxes other than income taxes-Labor		-	-	-	-
231	419	Investment Income & Other Income		-	-	-	-
232	421	Grant Income		-	-	-	-
233	427	Other interest expense		-	-	-	-
234	428	Bond Issuance Costs Expense (2018 and Forward)		-	-	-	-
235	<b>TOTAL OTHER</b>			-	-	-	-
<b>Adjustments for FERC Rev Req View:</b>							
236		Debt Service		-	-	-	-
237		Coverage		-	-	-	-
238	456	Suffolk Property Tax Settlement (Principal)		-	-	-	-
239	456	Visual Benefits Assessment (Principal)		-	-	-	-
240	419	Nuclear Decommissioning Trust Fund		-	-	-	-
241	<b>Sub-total: Adjustments for FERC Rev Req View</b>			-	-	-	-
242	<b>TOTAL REVENUE REQUIREMENT - Per FERC</b>			-	-	-	-
<b>Depreciation Expense</b>							
<b>Depreciation Expense: Other Plant</b>							
243	320-326	Production Plant- Nuclear Productions		-	-	-	-
244	350-358	Transmission Plant		-	-	-	-
245	389-398	General Plant		-	-	-	-
246	121	LIPA nonutility property		-	-	-	-
247	<b>Sub-total: Other Plant Depreciation Expense</b>			-	-	-	-
<b>Depreciation Expense: Distribution</b>							
248	360	Land and land rights		-	-	-	-
249	361	Structures and improvements		-	-	-	-
250	362	Station equipment		-	-	-	-
251	364	Poles, towers, and fixtures		-	-	-	-
252	365	Overhead conductors and devices		-	-	-	-
253	366	Underground conduit		-	-	-	-
254	367	Underground conductors and devices		-	-	-	-
255	368	Line transformers		-	-	-	-
256	369	Services		-	-	-	-
257	370	Meters		-	-	-	-
258	371	Customer outdoor lights		-	-	-	-
259	372	Leased assets on customers' property		-	-	-	-
260	373	Street lighting and signal systems		-	-	-	-
261	<b>Sub-total: Distribution Depreciation Expense</b>			-	-	-	-
<b>Depreciation Expense: Other</b>							
262	403	PSEG LI/LIPA Depreciation		-	-	-	-
263	403	LIPA Deferred Amortized Expenses		-	-	-	-
264	403	Operations and maintenance-amortization of regulatory items		-	-	-	-
265	404	PSEG LI Depreciation		-	-	-	-
266	<b>Sub-total: Other Depreciation Expense</b>			-	-	-	-
267	<b>TOTAL DEPRECIATION EXPENSE (PER FERC REV REQ VIEW)</b>			-	-	-	-

<b>Line Item</b>	<b>Item Description</b>	<b>Total</b>	<b>Source</b>
1	CWIP/CNCC (Construction Work in Progress/Not Classified)	\$ -	Work Paper ACC_PPTN_B_1
2	Materials and Supplies	\$ -	Work Paper ACC_PPTN_C_1
3	Pre Payments	\$ -	Work Paper ACC_PPTN_C_2
4	Abandoned Plant	\$ -	Work Paper ACC_PPTN_C_3
5	Regulatory Asset	\$ -	Work Paper ACC_PPTN_C_RA

Exhibit B-3-1 LIPA Public Policy Transmission Need ("PPTN") Formula Rate Template

Attachment 1 - Formula Rate Template

LIPA Regulated Transmission Facilities Charge

Line No.		Current Year				Past Year				Average		
		Plant in Service (\$) (1)	Accumulated Depreciation (\$) (2)	Plant in Service - Net (\$) (3)	Depreciation Expense (\$) (4)	Plant in Service (\$) (5)	Accumulated Depreciation (\$) (6)	Plant in Service - Net (\$) (7)	Depreciation Expense (\$) (8)	Plant in Service (\$) (9)	Accumulated Depreciation (\$) (10)	Plant in Service - Net (\$) (11)
<b>TRANSMISSION</b>												
1	Transmission - Land	B.1 LIPA Depreciation Line 1 & 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Transmission	B.1 LIPA Depreciation Line 3-10	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	Total Transmission		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Transmission - Cost of Removal		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5	Excluded Transmission: Step-Up Transformers		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Adjustments to Rate Base (if necessary)											
7												
8												
9												
10												
11	Total Adjustments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12												
13	<b>Net Adjusted Transmission</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>GENERAL</b>												
14	General - Land	B.1 LIPA Depreciation Line 13	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	General	B.1 LIPA Depreciation Line 24	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Total General		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
17	Adjustments to Rate Base (if necessary)											
18												
19												
20												
20	Total Adjustments		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	<b>Net Adjusted General Plant</b>		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Attachment 1 - Formula Rate Template

LIPA Regulated Transmission Facilities Charge

Line Item	Item Description	Total
1	Transmission Plant in Service	-
2	Generator Step-Up Transformer Plant-in-Service	-
3	Ratio	
4	Transmission Maintenance	\$ -
5	Removed Step-Up Transmission O&M	

Attachment 1 - Formula Rate Template

Line Item	Item Description	Total	Source
1	Land Held for Future Use - PPTN	\$ -	Work Paper ACC_PPTN_B_2
2	Total	\$ -	

Line Item	Project Name	Ferc Account Number	Name	Plant in Service	Accumulated Depreciation	Plant in Service (Net)	Depreciation Rate <sup>(1)</sup>	Depreciation Expense	Source
1		350	Land and land rights	\$ -	\$ -	\$ -	1.58%	\$ -	Work Paper ACC_PPTN_D
2		351	Clrg land and rights of way	\$ -	\$ -	\$ -	0.00%	\$ -	
3		352	Structures and improvements	\$ -	\$ -	\$ -	1.90%	\$ -	
4		353	Station equipment	\$ -	\$ -	\$ -	2.40%	\$ -	
5	LIPA PPTN	354	Towers and fixtures	\$ -	\$ -	\$ -	2.23%	\$ -	
6		355	Poles and fixtures	\$ -	\$ -	\$ -	2.43%	\$ -	
7		356	Overhead conductors and devices	\$ -	\$ -	\$ -	1.92%	\$ -	
8		357	Underground conduit	\$ -	\$ -	\$ -	1.51%	\$ -	
9		358	Underground conductors and devices	\$ -	\$ -	\$ -	1.89%	\$ -	
10		Total Excluding Accounts 350 ~ 351		\$ -	\$ -	\$ -		\$ -	
11		Grand Total		\$ -	\$ -	\$ -		\$ -	

Note

(1) The depreciation and/or amortization rates are implemented as the result of LIPA's most recent depreciation study, as performed from time to time and will be made available. Relevant supporting workpapers shall be made available upon request, pursuant to the Protocols.

Exhibit B-3-1 LIPA Public Policy Transmission Need ("PPTN") Formula Rate Template

Attachment 1 - Formula Rate Template

LIPA Regulated Transmission Facilities Charge

Line Item	Ferc Account Number	Name	Current Year				Previous Year				Source	Notes			
			Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)	Depreciation Expense (\$)	Electric Plant in Service (\$)	Accumulated Depreciation (\$)	Electric Plant in Service (Net \$)	Depreciation Expense (\$)					
<b>Transmission Plant</b>															
1		350 Land & Land Rights	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
2		351 Cirg land and rights of way	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
3		352 Structures & Improvements	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
4		353 Station Equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
5		354 Towers & Fixtures	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
6		355 Poles & Fixtures	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
7		356 Overhead Conductors & Devices	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
8		357 Underground Conduit	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
9		358 Underground Conductors & Devices	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
10		359 Roads & Trails	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
		Cost of Removal													
11		Total Excluding Accounts 350-351	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
12		Grand Total	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	
<b>General Plant</b>															
13		389 Land & Land Rights	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
14		390 Structures & Improvements	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
15		391 Office furniture and equipment-Includes Computers	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
16		392 Transportation equipment-TRAILERS NON OFFICE	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
17		392 Transportation equipment-PASS CARS VANS LIGHT TRUCK	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
18		392 Transportation equipment-HEAVY TRUCKS >=12KLB	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
19		394 Tools, shop, and garage equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
20		395 Laboratory equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
21		396 Power operated equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
22		397 Communication equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
23		398 Misc. equipment	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
24		Total Excluding Accounts 389	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	A.1 Accounting Inputs
25		Grand Total	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-	

Attachment 1 - Formula Rate Template

LIPA Regulated Transmission Facilities Charge

Line Item	Item Description	Source	Capitalization Ratio	Cost Rate
1	Long Term Debt	Proposed	49.00%	xx.xx%
2	Equity	Proposed	51.00%	9.75%

Attachment 1 - Formula Rate Template

Line Item	Item Description	Source	Company Total	PPTN Ratio	Allocated to PPTN
1	PILOTs - Property-Based Taxes	A.1 Accounting Inputs Line 59	\$ -		
2	PILOTs - Revenue-Based Taxes	A.1 Accounting Inputs Line 60	\$ -		
3					
4					
5					
6					
7					
8					
9					
10	Total		\$ -		\$ -

<b>Line Item</b>	<b>Item Description</b>	<b>Source</b>	<b>Total</b>	<b>Ratio</b>
1	Operating Regional Market Expenses	A.1 Accounting Inputs (Accounts 572 and 575)	\$ -	
2	Distribution	A.1 Accounting Inputs (Accounts 580-589 and 590-598)	\$ -	
3	Transmission	A.1 Accounting Inputs (Accounts 560-572)	\$ -	
4	Customer Accounts	A.1 Accounting Inputs (Accounts 901-910)	\$ -	
5	<b>TOTAL LABOR</b>	Sum lines 5 and 7	\$ -	0%

ATTACHMENT 2  
Formula Rate Implementing Protocol

## **Attachment 2 – Formula Rate Implementation Protocol**

### **II. LIPA Formula Rate Implementation Protocols**

#### **II.1 General**

- (a) LIPA employs a Formula Rate in accordance with the Protocols set forth herein to calculate its Annual Transmission Revenue Requirement (“ATRR”) for transmission projects and upgrades that have been undertaken by LIPA as the Designated Entity (“LIPA Designated Project”) pursuant to the Comprehensive System Planning Process requirements set forth in Attachment Y of the ISO OATT and are therefore eligible for the recovery of costs through the LIPA Regulated Transmission Facilities Charge (“LIPA RTFC”) described in Section 6.10.5 of Schedule 10 of the ISO OATT.<sup>1</sup>
  
- (b) LIPA employs an Annual Update Process, which refreshes the calculation of the ATRR by populating the Formula with prior-year information from the Financial Report contained in the LIPA annual report and other historical data from LIPA’s books and records, which are maintained in substantially the same format as selected pages of the FERC Form No. 1, identifying project-specific revenue requirements for LIPA Designated Projects. Implementation of the Annual Update Process does not affect any changes to the Formula Rate itself.
  
- (c) LIPA will hold a Stakeholder Meeting each year to provide an opportunity for Interested Parties to obtain information about the Annual Update. All Stakeholder Meetings will be remotely accessible to Interested Parties.

#### **II.2 Protocols Definitions:**

---

<sup>1</sup> Capitalized terms used but not defined in these Protocols have meanings ascribed thereto in the ISO Open Access Transmission Tariff (“OATT”).

**Attachment 2 – Formula Rate Implementation Protocol**

“**Accounting Change**” means any change in accounting that affects inputs to the Formula Rate or the resulting charges billed under the Formula Rate, including: (A) any change in LIPA’s accounting policies, practices and procedures that affects the Formula Rate or calculations under the Formula (including changes resulting from revisions to the U.S. generally accepted accounting principles from those in effect during the Calendar Year upon which the most recent Actual ATRR was based); (B) any change in LIPA’s policies for application of allocation factors to cost inputs within the Formula Rate from the allocation factors in use for the Initial Rate Year or Calendar Year upon which the immediately preceding True-Up Adjustment was based, where such change affects the Formula Rate or calculations under the Formula; (C) the initial implementation of an accounting standard or policy; (D) the implementation of new estimation methods or policies that change prior estimates; and (E) the correction of errors and prior-period adjustments.

“**Actual Annual Transmission Revenue Requirement**” (“Actual ATRR”) means the actual net annual transmission revenue requirement calculated in accordance with the Formula Rate, using as inputs only those costs and credits properly recorded in LIPA’s most recent Financial Report (to the extent the Formula Rate specifies Financial Report data as the input source) or data reconcilable to the Financial Report by the application of clearly identified and supported information that is properly recorded in LIPA’s books and records, which books and records are maintained in accordance with (A) the FERC Uniform System of Accounts; (B) LIPA’s internal accounting policies and practices; (C) U.S. generally accepted accounting principles; and (D) LIPA’s policies for application of allocation factors to cost inputs to a Formula Rate. Where the reconciliation to the Financial Report is

**Attachment 2 – Formula Rate Implementation Protocol**

provided through a workpaper, the inputs to the workpaper shall be either taken directly from the Financial Report or reconcilable to the Financial Report by the application of clearly identified and supported information.

**“Annual Review Procedures”** means the procedures for review of each Annual Update, as described in these Protocols.

**“Annual Update”** means the calculation and publication of the Actual ATRR for the prior Calendar Year, and the Projected ATRR (including the True-Up Adjustment and any Prior Period Adjustment, if applicable) to be applicable for the upcoming Rate Year.

**“Annual Update Process”** means the annual process by which LIPA calculates the Annual Update and makes it available to Interested Parties.

**“Calendar Year”** means January 1st through December 31st of a given year.

**“Challenge”** means a written notification by an Interested Party to LIPA, during the Review Period, of any specific challenge to the Annual Update pursuant to these Protocols and submitted to LIPA.

**“Correction Period”** means the Rate Year in which such over- or under-recovery is reflected.

**“Discovery Master”** means LIPA’s Chief Executive Officer, designated by the LIPA Board of Trustees to oversee a proceeding to resolve procedural matters and discovery dispute(s) in accordance with these Protocols.

**“Discovery Period”** means the period for serving Information Requests, commencing as of the calendar day immediately following the Publication Date and ending one hundred twenty (120) calendar days after the Publication Date. The Discovery Period may be extended only as provided in Section II.4(a) of this

**Attachment 2 – Formula Rate Implementation Protocol**

Attachment.

**“Financial Report”** means the independently audited financial statements contained in the LIPA annual report which is issued in March of each year for the prior Calendar Year.

**“Formula”** means the cost-of-service template and associated schedules shown in Section I of this Attachment.

**“Formula Rate”** means the Formula together with the Protocols.

**“Hearing Officer”** means LIPA’s Chief Financial Officer, designated by the LIPA Board of Trustees to oversee a proceeding to resolve Challenge(s) in accordance with these Protocols. In addition, in a procedural matter or discovery dispute, the Hearing Officer is responsible for making a Recommended Decision to the LIPA Board of Trustees as set forth in Section II.4 of this Attachment.

**“Hearing Officer’s Recommended Decision”** means the document that sets forth the Hearing Officer’s recommendation to the LIPA Board of Trustees on each issue in a Challenge pursuant to Section II.4 of this Attachment.

**“Information Request”** means a request to LIPA by an Interested Party within the Discovery Period for information or documents relating to an Annual Update as provided for in these Protocols.

**“Initial Rate Year”** means the initial period, from the date the rates are first made effective by the LIPA Board of Trustees through June 30, 2027.

**“Interested Party”** includes, but is not limited to, customers served by LIPA or a New York Transmission Owner which may be allocated costs of a LIPA Designated Project, the New York Department of Public Service, and consumer advocacy agencies.

**Attachment 2 – Formula Rate Implementation Protocol**

**“LIPA Designated Project”** means LIPA’s portion of a transmission project that is eligible for cost recovery through a LIPA RTFC pursuant to Section 6.10 of Rate Schedule 10 of the ISO OATT. This includes any transmission project for which the ISO has designated LIPA as the Designated Entity to build, own, and recover the costs, in accordance with the Comprehensive System Planning Process requirements set forth in Attachment Y of the ISO OATT.

**“LIPA Exploder List”** means an e-mail list maintained by LIPA that includes all Interested Parties who have notified LIPA of their intent to be included. Interested Parties can subscribe to the LIPA Exploder List on the LIPA website.

**“LIPA Form 1 Equivalent”** means a form that presents LIPA’s financial information in substantially the same format as selected pages of the FERC Form No. 1.

**“LIPA Rate Protocols”** means the Formula Rate implementation protocols adopted by the LIPA Board of Trustees on June 24, 2026 as they may be amended and updated and set forth herein.

**“LIPA Regulated Transmission Facilities Charge”** (“LIPA RTFC”) means a charge for the recovery of costs undertaken by LIPA for a LIPA Designated Project calculated in accordance with the formula set forth in Section 6.10.3 of the NYISO OATT.

**“Other Developers”** is defined as that term is defined in Section 31.1.1 of Attachment Y of the ISO OATT.

**“Prior Period Adjustment”** means any change to the True-Up Adjustment agreed upon or determined through the review and challenge procedures outlined in these Protocols that is carried forward with interest to the subsequent True-Up

**Attachment 2 – Formula Rate Implementation Protocol**

Adjustment.

**“Projected Annual Transmission Revenue Requirement”** (“Projected ATRR”) means the Actual ATRR for the *prior Calendar Year* as adjusted to reflect the True-Up Adjustment and any Prior Period Adjustments.

**“Publication Date”** means the date of the posting on the LIPA website (in a workable Excel format with cell formulas and links intact) of the Annual Update. Aside from the Initial Rate Year, the Publication Date shall be no later than July 1st, provided, however, that if July 1st should fall on a weekend or a holiday, then the posting shall be due no later than the next business day, and the Publication Date shall correspond to the actual posting or filing date. For the Initial Rate Year, the Publication Date may occur after July 1st pursuant to the provisions set forth in Section II.3(h).

**“Rate Year”** means July 1st of a given Calendar Year through June 30th of the succeeding Calendar Year.

**“Record”** means (1) Information Requests; (2) LIPA’s responses to Information Requests; (3); the Challenge; (4) all documents that support the facts in a Challenge in possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits; (5) LIPA’s written responses to the Challenge(s); the Hearing Officer’s Recommended Decision, if applicable; and (6) such other materials and information that may have been submitted to or developed by, the LIPA Board of Trustees.

**“Review Period”** means the period during which an Interested Party may review the Annual Update calculations and make a Challenge. The Review Period commences as of the calendar day immediately following the Publication Date and

## **Attachment 2 – Formula Rate Implementation Protocol**

ends on the later of sixty (60) calendar days after the close of the Discovery Period or thirty (30) calendar days after LIPA has responded to all timely submitted information requests.

**“Stakeholder Meeting”** means a meeting and conference call (in webinar format) that shall permit LIPA to explain and clarify the Annual Update, the procedures for which are set forth in Section II.3.

**“True-Up Adjustment”** means the amount of under- or over-collection of LIPA’s Actual ATRR during the preceding Calendar Year, measured by the difference between the Actual ATRR and the transmission revenues received by LIPA during the preceding Calendar Year, plus interest, as calculated on Schedule 8 True-Up of the Formula using the interest rates specified in 18 C.F.R. § 35.19a.

### **II.3 Annual Update Process**

- (a) The Projected ATRR derived pursuant to the Formula Rate each year shall be applicable to services during the upcoming Rate Year.
- (b) As part of the Annual Update Process, on or before the Publication Date of each year, LIPA shall:
  - (i) Calculate the Actual ATRR for the preceding Calendar Year;
  - (ii) Calculate the Projected ATRR, reflecting the True-Up Adjustment and any Prior Period Adjustments, for the upcoming Rate Year; and
  - (iii) Post on the LIPA website (and on the ISO website via a link to the LIPA website):
    - (A) the Annual Update, including a data-populated Formula Rate Template and underlying workpapers in native “workable” Excel file format with all formulas and links intact;

**Attachment 2 – Formula Rate Implementation Protocol**

(B) sufficiently detailed supporting documentation, including underlying data and calculations and a populated version of the LIPA Form 1 Equivalent, that explains the source and derivation of any data affecting the Formula that is not drawn directly from LIPA's Financial Report, such that Interested Parties can replicate the calculation of the Formula results using the Financial Report and can verify that each input is consistent with the requirements of the Formula Rate; and

(C) the date, time, location, and call-in information for the Stakeholder Meeting.

(c) The Annual Update for the Rate Year:

(i) Shall identify and provide a narrative explanation of any Accounting Changes and their impacts on inputs to the Formula Rate or resulting charges billed under the Formula Rate;

(ii) Shall identify and provide a narrative explanation of any items included in the Formula at an amount other than the lowest level consistent with sound fiscal and operating practices of the Authority and which provide for safe and adequate service, and their impacts on inputs to the Formula Rate or resulting charges billed under the Formula Rate;

(iii) Shall be based on LIPA's Financial Report;

(iv) Shall provide the Formula Rate calculations and all inputs thereto, including but not limited to ATRR components of rate base, operating and maintenance expenses, depreciation expense,<sup>2</sup> taxes, return on rate base, as well as supporting

---

<sup>2</sup> The depreciation and/or amortization rates as set forth in Schedule A.6 of the Formula are implemented as the result of LIPA's most recent depreciation study, as performed from time to time and will be made available. Relevant supporting workpapers shall be made available upon request, pursuant to the Protocols.

**Attachment 2 – Formula Rate Implementation Protocol**

documentation and workpapers for data that are used in the Formula Rate that are not otherwise available in the Financial Report;<sup>3</sup>

(v) Shall provide underlying data for Formula Rate inputs that provide greater granularity than is required for the Financial Report;

(vi) Shall be subject to challenge and review in accordance with the procedures set forth in these LIPA Rate Protocols;

(vii) Shall not seek to modify the Formula Rate and shall not be subject to challenge by anyone seeking to modify the Formula Rate (i.e., all such modifications/amendments to the Formula Rate shall require, as applicable, review, authorization, and implementation by the LIPA Board of Trustees in accordance with Article 5, Title 1-A of the New York Public Authorities Law, Section 1020-f(u)(4));

(viii) Shall identify any changes in the Formula references to LIPA's Financial Report;

(ix) Shall identify all material adjustments made to LIPA's Financial Report data in determining Formula inputs, including relevant footnotes to the Financial Report and any adjustments not shown in the Financial Report; and

(x) Shall reflect any corrections or modifications to LIPA's Financial Report if said corrections or modifications are made prior to the Publication Date and would affect the True-Up Adjustment for a prior Rate Year. The True-Up Adjustment for each Rate Year(s) affected by the corrections or modifications shall be updated to

---

<sup>3</sup> It is the intent that the Formula Rate, including the supporting explanations and allocations described therein, that each input to the Formula Rate will be either taken directly from LIPA's Financial Report or reconcilable to the Financial Report by the application of clearly identified and supported information.

**Attachment 2 – Formula Rate Implementation Protocol**

reflect the corrected or modified Financial Report and the Annual Update and shall incorporate the changes in such True-Up Adjustment for the next effective Rate Year(s), with interest. Corrections or modifications to a Financial Report filed after the Publication Date of an Annual Update and not included in a revised Annual Update shall be incorporated in the next True-Up Adjustment or Annual Update, as applicable. LIPA shall report in a timely manner to Interested Parties, via the LIPA Exploder List, any corrections or modifications to its Financial Report, that affect the past or present implementation of the Formula Rate, whether such corrections or modifications have the effect of increasing or decreasing the resulting transmission rates.

(d) Within one (1) business day of the Publication Date, LIPA shall notify Interested Parties via the LIPA Exploder List of the posting of the Annual Update and the date, time, location, and call-in information for the Stakeholder Meeting.

(e) In conducting such a meeting, LIPA shall provide Interested Parties with an opportunity to seek information and clarification concerning the Annual Update. The Stakeholder Meeting shall be held no earlier than twenty (20) calendar days and no later than forty (40) calendar days after the Publication Date. LIPA shall provide notice of the Stakeholder Meeting no less than fifteen (15) calendar days prior to such meeting via the LIPA Exploder List and by posting on the LIPA website (and on the ISO website via a link to the LIPA website).

(f) Joint Informational Meeting

To the extent that LIPA is recovering the costs of LIPA Designated Project that is a portion of a transmission project that is eligible for cost recovery in accordance with the Comprehensive System Planning Process requirements set forth in Attachment

**Attachment 2 – Formula Rate Implementation Protocol**

Y of the ISO OATT, LIPA shall endeavor to coordinate on holding an annual joint informational meeting with other Transmission Owners and Other Developers that are using formula rates to recover the costs of transmission projects in furtherance of the same transmission project. No less than fifteen (15) calendar days prior to such meeting, LIPA shall provide notice of the joint informational meeting, including the date, time, location, and call-in information, via the LIPA Exploder List and by posting this information on the LIPA website (and on the ISO website via a link to the LIPA website). LIPA shall make the joint informational meeting remotely accessible to Interested Parties.

(g) Example – Timeline for 2027 Annual Update

On or before July 1, 2027, LIPA will post its Annual Update, consisting of the Projected ATRR for the 2027 Rate Year including any True-Up Adjustment determined pursuant to Section II.3(c). The Annual Update posted July 1, 2027 will be subject to the customer review and challenge procedures described in these Protocols.

(h) Partial Initial Rate Year and First Annual Update Recovering for a Partial Initial Rate Year

(i) Partial Initial Rate Year

In the event that LIPA's calculation of the Projected ATRR for the Initial Rate Year will not be completed by July 1 for input into calculation of the LIPA RTFC and initial use of the Formula Rate covers only part of the Rate Year, LIPA will nevertheless prepare its Projected ATRR for the Initial Rate Year using the most recent information available, and cause such projection to be posted at a publicly accessible location on the website maintained by LIPA and through a link on the

**Attachment 2 – Formula Rate Implementation Protocol**

ISO website.

(ii) Annual Update Process for a Partial Initial Rate Year

The Projected ATRR for a partial Initial Rate Year will reflect LIPA's annual net revenue requirement only over the remaining months during the partial Initial Rate Year. LIPA will conduct a Stakeholder Meeting with Interested Parties on the projected ATRR for the partial Initial Rate Year between twenty (20) to forty (40) calendar days after posting. For the Initial Rate Year, any changes resulting from the Annual Review Procedures pursuant to Section II.4 will be reflected in the 2026 True-Up Adjustment, which will be included in the Annual Update for the 2027 Rate Year. The 2026 True-Up Adjustment also will reflect adjustments based upon the Projected ATRR for the partial Initial Rate Year and the Actual ATRR for that partial Initial Rate Year.

**II.4 Interested Parties' Annual Review Procedures**

Each Annual Update shall be subject to the following Annual Review Procedures:

(a) Discovery Period

(i) Interested Parties shall have up to one hundred twenty (120) calendar days after the Publication Date (unless such period is extended with the written consent of LIPA) to submit Information Requests to LIPA. If the deadline for Interested Parties should fall on a weekend or a holiday, then Information Requests shall be due no later than the next business day. Such Information Requests shall be limited to what is or may reasonably be necessary to determine:

(A) The extent or effect of an Accounting Change;

(B) Whether the Annual Update fails to include data properly recorded

**Attachment 2 – Formula Rate Implementation Protocol**

in accordance with these Protocols;

(C) The proper application of the Formula Rate and the procedures in these Protocols;

(D) The accuracy of data and consistency with the Formula Rate of the calculations included in the Annual Update (including the Actual ATRR, Projected ATRR, True-Up Adjustment, and any Prior Period Adjustment) under review;

(E) That the ATRR meets the requirements of Article 5, Title 1-A of the New York Public Authorities Law, Sections 1020-f(u) for LIPA's rates be established at the lowest level consistent with sound fiscal and operating practices of the Long Island Power Authority;

(F) The effect of any change to the underlying Financial Report; and

(G) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula Rate or aid in the understanding or derivation of such charge.

The Information Requests shall not otherwise be directed to ascertain whether the Formula Rate or the calculated charges meets the comparability standard or meets the requirements of Article 5, Title 1-A of the New York Public Authorities Law, Sections 1020-f(u).

(ii) LIPA shall make a good faith effort to respond to Information Requests pertaining to the Annual Update within ten (10) business days of receipt of such requests. LIPA shall respond to all Information Requests submitted during the Discovery Period by no later than thirty (30) calendar days after the close of the Discovery Period. If the deadline should fall on a weekend or a holiday, then LIPA's responses to Information Requests shall be due no later than the next

**Attachment 2 – Formula Rate Implementation Protocol**

business day.

(iii) LIPA shall post all Information Requests, and LIPA’s responses to Information Requests, on the LIPA website (and on the ISO website via a link to the LIPA website) and will distribute a link to the website to Interested Parties via the LIPA Exploder List; except, however, if responses to Information Requests include material deemed by LIPA to be confidential pursuant to Freedom of Information Law (“FOIL”), Article 6 (Sections 84-90) of the NYS Public Officers Law, such information will not be publicly posted, but confidential information will be made available to requesting parties provided that a confidentiality agreement is executed by LIPA and the requesting party.

(iv) To the extent LIPA and any Interested Party are unable to resolve disputes related to Information Requests submitted in accordance with these Annual Review Procedures, LIPA or any Interested Party may request LIPA’s Chief Executive Officer as the Discovery Master to resolve the dispute(s) in accordance with these Protocols.

(v) The Discovery Master shall not expand the scope of the dispute proceeding beyond the scope established in these Protocols. The Discovery Master will review the original Information Request, all responsive records or a concise description of their nature and contents, and any explanation for the recommended continued withholding of records pursuant to established FOIL privileges. After conducting independent review and in the Discovery Master’s sole discretion, the Discovery Master shall issue to LIPA and the Interested Party a written decision: (i) affirming LIPA’s decision to withhold records or designate materials in its response to an Information Request as confidential and providing a concise justification for such

**Attachment 2 – Formula Rate Implementation Protocol**

decision; (ii) reversing LIPA's decision and ordering the posting of records in response to an Information Request; or (iii) issuing protective orders or make other arrangements for the review of information requested in an Information Request. The Discovery Master's written decision shall be binding, subject only to judicial review in the courts of the State of New York pursuant to Article 78 of the NYCPLR.

(b) Challenges and Resolution of Challenges

(i) Any Interested Party shall have up to one hundred eighty (180) calendar days after the Publication Date, including the duration of the Review Period to review the inputs, supporting explanations, allocations, and calculations, and to submit a Challenge to LIPA. The Review Period ends on the later of (1) sixty (60) calendar days after the close of the Discovery Period; or (2) thirty (30) calendar days after LIPA has responded to all timely submitted information requests. If the deadline for Interested Parties to submit Challenges should fall on a weekend or holiday, then such Challenge shall be due no later than the next business day. An Interested Party submitting a Challenge must notify LIPA if it is also party to a pending dispute related to Information Requests submitted in accordance with these Annual Review Procedures and LIPA will hold resolution of the Interested Party's Challenge in abeyance to allow the pending dispute related to Information Requests to proceed. An Interested Party submitting a Challenge must specify the inputs, supporting explanations, allocations, calculations, or other information to which it objects, and provide an appropriate explanation and documents to support its Challenge.

(ii) Challenges shall satisfy all of the following requirements:

**Attachment 2 – Formula Rate Implementation Protocol**

(A) Clearly identify the action or inaction which is alleged to violate the Formula Rate or Protocols;

(B) Explain how the action or inaction violates the Formula Rate or Protocols;

(C) Set forth the business, commercial, economic or other issues presented by the action or inaction as such relate to or affect the party filing the Challenge, including:

(1) The extent or effect of an Accounting Change;

(2) Whether the Annual Update fails to include data properly recorded in accordance with these Protocols;

(3) The proper application of the Formula Rate and procedures in these Protocols;

(4) The accuracy of data and consistency with the Formula Rate of the calculations shown in the Annual Update (including the Actual ATRR, Projected ATRR, True-Up Adjustment, and any Prior Period Adjustment) under review;

(5) The effect of any change to the underlying Uniform System of Accounts or the Financial Report; or

(6) Any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula.

(D) State the specific relief or remedy requested, including any request for stay or extension of time, and the basis for that relief; and

(E) Include all documents that support the facts in the Challenge in

**Attachment 2 – Formula Rate Implementation Protocol**

possession of, or otherwise attainable by, the filing party, including, but not limited to, contracts and affidavits.

(iii) Challenges shall be limited to all issues that may be necessary to determine:

(1) the extent or effect of an Accounting Change; (2) whether the Annual Update fails to include data properly recorded in accordance with these Protocols; (3) the proper application of the Formula Rate and procedures in these Protocols; (4) the accuracy of data and consistency with the Formula Rate of the calculations shown in the Annual Update (including the Actual ATRR, Projected ATRR, True-Up Adjustment, and any Prior Period Adjustment) under review; (5) the effect of any change to the underlying Financial Report; or (6) any other information that may reasonably have substantive effect on the calculation of the charge pursuant to the Formula.

(iv) LIPA Staff shall promptly post all Challenges, and written responses by LIPA to Challenges, on the LIPA website (and on the ISO website via a link to the LIPA website) and will distribute a link to the website to Interested Parties via the LIPA Exploder List; except, however, if Challenges or responses to Challenges include material deemed by LIPA to be confidential pursuant to FOIL, such information will not be publicly posted, but confidential information will be made available to requesting parties provided that a confidentiality agreement is executed by LIPA and the requesting party.

(v) LIPA Staff shall make a good faith effort to respond to a Challenge within twenty (20) business days and LIPA, acting through designated senior representative(s) and any Interested Party(ies) raising a Challenge shall resolve the Challenge within sixty (60) calendar days after LIPA's response, subject to

**Attachment 2 – Formula Rate Implementation Protocol**

extension with written consent of LIPA and the Interested Party(ies) to continue efforts to resolve the Challenge.

(vi) If LIPA Staff senior representatives and the Interested Party(ies) have not resolved the Challenge within sixty (60) calendar days after LIPA's response (unless such period is extended), the Interested Party(ies) may, within thirty (30) calendar days thereafter, escalate the Challenge by requesting review and action of the matter by the Hearing Officer and providing notice to LIPA Staff.

(vii) Within twenty (20) calendar days of requesting Hearing Officer review, the challenging Interested Party(ies) will submit to the Hearing Officer and to LIPA Staff, a brief including all supporting information for the explanation of its position.

(viii) Within twenty (20) calendar days of receipt of the brief of the Interested Party(ies) LIPA Staff will submit a responsive brief to the Hearing Officer and to the challenging Interested Party(ies).

(ix) The Hearing Officer shall review the Record and make an initial determination and recommendation to the LIPA Board of Trustees ("Hearing Officer's Recommended Decision") by sixty (60) calendar days after the close of briefing or extended by unilateral decision of the Hearing Officer for good cause. If the deadline should fall on a weekend or a holiday, then the Hearing Officer's Recommended Decision shall be due no later than the next business day. The Hearing Officer's Recommended Decision shall state the Hearing Officer's findings and conclusions, and the reasons or basis thereof, on all material issues of fact and law, or discretion based on the Record.

(x) The LIPA Board of Trustees shall act on the Hearing Officer's Recommended Decision and the underlying Challenge based on the Record by the later of thirty (30)

**Attachment 2 – Formula Rate Implementation Protocol**

calendar days of the issuance of a Hearing Officer's Recommended Decision or the next Board Meeting following the issuance of the Hearing Officer's Recommended Decision. The LIPA Board of Trustees will issue a Memorandum of Resolution on the Challenge recording its decision and response to the Hearing Officer's Recommended Decision and the Record.

(xi) If resolution to a Challenge results in a change to an Annual Update or Accounting Change, such change will be documented through a Memorandum of Resolution. In any Memorandum of Resolution on a Challenge that results in a change to an Annual Update or an Accounting Change, the Board of Trustees shall provide the basis for its determination consistent with Article 5, Title 1-A of the New York Public Authorities Law, Section 1020-f(u), with respect to the correctness of its Annual Update and/or the Accounting Change, and with respect to proving that LIPA has correctly applied the terms of the Formula Rate consistent with these Protocols. Any Memorandum of Resolution issued by the LIPA Board of Trustees to a Challenge shall be provided by LIPA to the challenging Interested Party(ies) on the date of such issuance and shall also be sent to the LIPA Exploder List on the date of such issuance.

(xii) The LIPA Board of Trustees' final determination shall be binding, subject only to judicial review in the courts of the State of New York pursuant to Article 78 of the NYCPLR.

(xiii) Failure to make a Challenge as to any Annual Update shall not act as a bar to a Challenge related to the same issue in any subsequent Annual Update to the extent such issue affects the subsequent Annual Update.

(c) Challenges to Accounting Changes

**Attachment 2 – Formula Rate Implementation Protocol**

- (i) Challenges related to Accounting Changes are not intended to serve as a means of pursuing changes to the Formula Rate.
- (ii) Failure to make a Challenge with respect to an Accounting Change to an Annual Update shall not act as a bar with respect to making a Challenge with respect to that Accounting Change in any subsequent Annual Update to the extent such Accounting Change affects the subsequent Annual Update.
- (iii) Challenges related to Accounting Changes shall be subject to the procedures and limitations in Section II.4(b) of this Attachment. It is recognized that resolution of Challenges concerning Accounting Changes may necessitate adjustments to the Formula input data for the applicable Annual Update or changes to the Formula to achieve an end result consistent with Article 5, Title 1-A of the New York Public Authorities Law, Section 1020-f(u) and the intent of the Formula.

**II.5 Changes Pursuant to Annual Update Process**

Any changes to the data inputs, including but not limited to revisions to LIPA's Financial Report, or as the result of any proceeding to consider the Annual Update, or as a result of the Annual Review Procedures set forth herein, shall be incorporated into the Formula and into the charges produced by the Formula (with interest determined in accordance with 18 C.F.R. § 35.19a) in the Annual Update for the next effective Rate Year as a Prior Period Adjustment. This reconciliation mechanism shall apply in lieu of mid-Rate Year adjustments and any associated refunds or surcharges. However, actual refunds or surcharges (with interest) shall be made, as appropriate, in the event that the Formula Rate is replaced by a stated rate for LIPA.

If LIPA determines that changes to the Annual Update are required, LIPA shall promptly notify the LIPA Exploder List, file a correction to the Annual Update with the FERC as an

## **Attachment 2 – Formula Rate Implementation Protocol**

amended informational filing, and cause such information to be posted at a publicly accessible location on the ISO internet website. Such corrections shall be subject to review at the time they are made and shall be reflected in the next Annual Update, with interest. A corrected posting shall reset the deadlines under Section II.3 and II.4 of the Protocols for Interested Parties’ review and the revised dates shall run from the posting date(s) for each of the corrections. The scope of review shall be limited to the aspects of the Formula Rate affected by the corrections. Interest on any over- or under-recovery due to corrections for preceding True-Up Adjustments shall be calculated monthly on such over- or under-recovery from July 1 of the corrected Rate Year through June 30 of the Rate Year in which such over- or under-recovery is reflected (“Correction Period”) in accordance 18 C.F.R § 35.19a.

### **II.6 Changes to the Formula Rate**

- (a) Any modification to the Formula or to these Protocols requires review and approval by the LIPA Board of Trustees. The following Formula inputs shall be stated values to be used in the Formula until changed pursuant to a Memorandum of Resolution issued by the Board: (i) rate of return of deemed common equity; (ii) Post-Retirement Benefits other than Pensions (“PBOPs”) expense; and (iii) deemed debt/equity ratio.
- (b) Except as specifically provided herein, nothing in these Protocols shall be deemed to limit in any way (i) the right of LIPA to adopt and implement, with approval of the LIPA Board of Trustees a change the Formula Rate or any of its stated inputs or to replace the Formula Rate with a stated rate, or (ii) the right of any other party to challenge inputs to, or the implementation of, or to request changes to, the Formula Rate pursuant to Article 5, Title 1-A of the New York Public Authorities Law, Section 1020-f(u)(4).

**Attachment 2 – Formula Rate Implementation Protocol**

- (c) In the event that a change in the Formula Rate is approved by the LIPA Board of Trustees:
  - (i) A Memorandum of Resolution will be issued, approving the change in the Formula Rate and authorizing and directing LIPA Staff to undertake such actions as are necessary to implement such approved changes.
  - (ii) Any change in the cost allocation methodology for a LIPA Designated Project that allocates costs to market participants outside of the Long Island Transmission District shall be filed with, and subject to review by FERC solely with respect to whether there is comparability in the derivation of the cost allocation for market participants such that LIPA has demonstrated that the approved change in cost allocation is compliant with the Order No. 1000 cost allocation principles, there are benefits provided by the project to market participants outside of the Long Island Transmission District, and that the basis of allocation is roughly commensurate to the identified benefits.

**II.7 Informational Filing**

By sixty (60) calendar days following the close of the Review Period, LIPA shall submit to FERC an informational filing of its Annual Update for the Rate Year. If the deadline should fall on a weekend or a holiday recognized by the state of New York, then the informational filing shall be due no later than the next business day. Within one (1) business day of submitting the informational filing, LIPA shall notify Interested Parties via the LIPA Exploder List that it has made its informational filing, and shall post the docket number assigned to the informational filing on the LIPA website (and on the ISO website via a link to the LIPA website). This informational filing to FERC must include the information that is reasonably necessary to determine that the

**Attachment 2 – Formula Rate Implementation Protocol**

Annual Update for the Rate Year meets the applicable standard of comparability applied to LIPA's rates and charges.



**KATHY HOCHUL**  
Governor

**RORY M. CHRISTIAN**  
Chief Executive Officer

June 16, 2026

Via E-mail and U.S. Mail

Honorable Tracey A. Edwards, Chairwoman  
Board of Trustees  
Long Island Power Authority  
333 Earle Ovington Blvd.  
Uniondale, New York 11553  
[LIPATrustees@lipower.org](mailto:LIPATrustees@lipower.org)

Re: Matter 26-00346 – 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) by the Long Island Power Authority (LIPA or the Authority), effective July 1, 2026. The LIPA Reform Act empowers the Department to make recommendations concerning the operations and terms and conditions of service provided by the Authority and its Service Provider. The Department recommends that the LIPA Board of Trustees (Board) adopt the Authority's proposals as discussed herein.

LIPA proposes four Tariff modifications to: (1) allow customers with behind-the-meter storage to participate in its Electric Vehicle Phase-In Rates (EVPIR or EV Phase-In Rates); (2) implement changes to its Small Generator Interconnection Procedures (SGIP) to align with recent Public Service Commission (Commission) orders, accommodate projects impacted by the sunset of federal tax credits, and implement a pilot program for its interconnection process applicable to certain projects; and (3) modify its Uniform Business Practices (UBP) to align with Commission Orders and with the UBP used by the other utilities in New York, and (4) LIPA also proposes the adoption of a formula rate template and implementing protocols, effective July 1, 2026, for the calculation and recovery of LIPA's annual revenue requirement related to the construction, ownership, and operation of transmission facilities related to projects designated under a Public Policy Transmission Need (PPTN). The rate will be implemented through the New York Independent System Operator's (NYISO) Open Access Transmission Tariff (OATT).

In accordance with the State Administrative Procedure Act, LIPA requested public comments for each of the proposals, by June 6, 2026. LIPA accepted written comments submitted to a designated email address provided on their website and held two public comment sessions on June 1, 2026. The first public comment session was held in Suffolk County and the second was held in Nassau County. LIPA received written

comments from the New York Solar Energy Industry Association (NYSEIA) regarding the SGIP proposal. These comments are discussed in the respective section below.

### **Electric Vehicle Phase-In Rate**

LIPA proposes to modify its Tariff effective July 1, 2026, to extend participation in its EV Phase-In Rates to customers with EV chargers connected to behind-the-meter storage that is not paired with a distributed generator. LIPA's proposal will clarify the eligibility requirements for participation in the EVPIR in the Tariff under Service Classifications EVC 281 and EVC 285.<sup>1</sup> LIPA's proposal aligns with eligibility policies used by the other utilities in the state to allow customers with energy storage to also receive the benefits of the EVPIR.

On January 19, 2023, the Commission issued an Order Establishing Framework for Alternatives to Traditional Demand-Based Rate Structures in Case 22-E-0236 (January 2023 Order).<sup>2</sup> In the Order, the Commission directed the Utilities to develop and implement a dedicated EVPIR for public EV charging and commercial fleet charging stations. The Commission designed the EVPIR to curtail abrupt increases in electric power costs for commercial customers associated with EV charger usage. The Order also directed the utilities to offer a demand charge rebate (DCR) as an immediate solution until the EVPIR was developed.<sup>3</sup> The DCR provided eligible customers with a 50 percent rebate on their total demand charges, whereas the EVPIR provides a tiered approach to discounts based on the level of charger utilization. In alignment with the January 2023 Order, LIPA's service provider PSEG Long Island (PSEG LI) began offering the DCR to eligible customers in 2024. In October 2025, PSEG LI began offering the EVPIR rate for eligible Large General and Industrial Service customers under Rate Code 285. Additionally, LIPA will make the EVPIR available for eligible General Service Large Commercial customers on Rate Code 281 starting in 2027.<sup>4</sup>

LIPA designed the EVPIR to provide the largest discounts to EV charging sites with the lowest utilization levels. The EVPIR rate places customers into one of four tiers dependent on the customer's load factor. The load factor is defined as the ratio of actual electrical usage measured in kilowatt-hours (kWh) over a 12-month period divided by the product of the number of hours in a 12-month period and the maximum demand.<sup>5</sup> As a customer's load factor increases, they graduate through the tiers and receive a decreased discount on their demand charges. When a customer exceeds a 25 percent

---

<sup>1</sup> LIPA's Service Classification EVC 281 includes Rate Codes E1296, E2296, E3296, and E4296. LIPA's Service Classification EVC 285 includes Rate Codes E1295, E2295, E3295, and E4295.

<sup>2</sup> Case 22-E-0236, Proceeding to Establish Alternatives to Traditional Demand-Based Rate Structures for Commercial Electric Vehicle Charging, Order Establishing Framework for Alternatives to Traditional Demand-Based Rate Structures (issued January 19, 2023).

<sup>3</sup> Case 22-E-0236, supra, Order Establishing Framework for Alternatives to Traditional Demand-Based Rate Structures (issued January 19, 2023), pp. 2-3.

<sup>4</sup> Matter 14-01299, In the Matter of PSEG-LI Utility 2.0 Long Range Plan, 2025 Utility 2.0 Filing and BEE Plan Final, (filed July 1, 2025), p.108.

<sup>5</sup> LIPA Tariff for Electric Service, Third Revised Leaf 232 (effective January 1, 2026); LIPA Tariff for Electric Service, First Revised Leaf 236C (effective January 1, 2026).

load factor for two consecutive six-month periods, they are no longer eligible for the EVPIR and are transferred to their applicable standard commercial rate.<sup>6</sup> To be eligible for the EVPIR, the customer must also have at minimum a 50 percent Charging Ratio. Charging Ratio is defined as the ratio of a customer's maximum EV charging demand divided by the maximum site demand.<sup>7</sup> Net-metered customers are not eligible for the EVPIR in LIPA's service territory. According to LIPA, the energy generated behind the meter will lower the energy usage measured by LIPA and distort the load factor calculation. As a result, the load factor calculated would not accurately reflect the customer's usage, potentially allowing them to remain on a lower tier-level and thus receive a higher discount than intended.

LIPA's proposal would enable customers with behind-the-meter storage that is not paired with a distributed generator to be eligible for participation in the EVPIR, assuming they meet all other requirements for the rate. Behind-the-meter battery storage does not change the total measured energy consumption measured by the meter; it only changes the time that energy may be used. The impact of energy storage does not impact the calculation of the customer's load factor and therefore does not adversely affect the accurate classification of customers within the EVPIR tiers.

LIPA's proposal promotes the integration of battery storage at EV charging stations by enabling eligible customers to install energy storage without losing eligibility for the EVPIR. Energy storage benefits EV charging station operators by enhancing their ability to manage demand, giving them greater flexibility to shift energy use from peak to off-peak periods. Beyond optimizing station-level loads, increased adoption of energy storage paired with EV charging can also deliver grid benefits by reducing peak demand and supporting overall system reliability during periods of high electricity use. Given the important benefits associated with increasing energy storage adoption in LIPA's service territory, DPS supports this proposal. As such, DPS recommends that the Board adopt the tariff modifications to allow eligible behind-the-meter energy storage customers without distributed generation on the EVPIR as proposed.

Unforeseen complexities in the information technology implementation project will require an adjustment to the proposed start date of this proposal. PSEG LI has encountered obstacles related to its billing system and anticipates that it will not be able to make the EVPIR available to customers with behind-the-meter storage on July 1, as outlined in LIPA's proposal. As an interim solution, LIPA and PSEG LI will provide these customers with the 50 percent DCR until the EVPIR can be offered. Using the DCR as a bridge solution is consistent with the original purpose of LIPA's proposal to expand customer access to the EVPIR. DPS supports this plan and encourages PSEG LI and LIPA to coordinate their efforts to provide the EVPIR as soon as possible, as intended by LIPA's proposal.

---

<sup>6</sup> PSEG LI, Commercial Electric Vehicle (EV) Phase-In Rate 2026, p. 13,

<https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/-/media/5CB8ABDC1DDE49E29DCE6CA2B8D02915.ashx> (accessed June 10, 2026).

<sup>7</sup> LIPA Tariff for Electric Service, Third Revised Leaf 232 (effective January 1, 2026); LIPA Tariff for Electric Service, First Revised Leaf 236C (effective January 1, 2026).

## Small Generator Interconnection Procedures

LIPA proposes modifying the Small Generator Interconnection Procedures (SGIP) to incorporate several changes effective July 1, 2026. The SGIP governs how distributed generators and energy storage systems under 10 megawatts (MW) connect to LIPA's distribution system. The proposed modifications have three objectives: (1) align LIPA's procedures with the Statewide Standardized Interconnection Requirements (SIR) for systems 5 MW or less, (2) adjusting interconnection timelines to accommodate projects seeking tax credit eligibility, and (3) launching a pilot program to help certain customers navigate the Supervisory Control and Data Acquisition (SCADA) interconnection process.<sup>8</sup>

### June 2025 Order

The New York Public Service Commission's June 23, 2025, Order in Case 24-E-0621 (June 2025 Order) introduced targeted modifications to the Statewide SIR for distributed generation and energy storage systems of 5 MW or less.<sup>9</sup> The Commission adopted these changes to improve the efficiency of the interconnection process and align it with evolving market conditions and technologies. Specifically, the June 2025 Order: (1) revised cost sharing payment timelines to reduce financial risk for applicants, (2) enhanced technical screening processes to minimize unnecessary studies, and (3) incorporated additional operational considerations for energy storage systems.<sup>10</sup> These updates were developed through a collaborative process with utilities, industry stakeholders, and state agencies. The modifications streamline project development while maintaining system reliability and fairness in cost allocation.

LIPA proposes conforming modifications to the SGIP's Appendix E: Cost Sharing for System Modifications & Cost Responsibility for Dedicated Transformer(s) And Other Safety Equipment for Net Metered Customers, and Appendix J: Energy Storage System (ESS) Application Requirements, to align with the June 2025 Order. With respect to Appendix E of the SIR, LIPA incorporates the June 2025 Order's revised payment framework by extending the timing for non-refundable upgrade cost deposits and aligning the deadline for payment of shared costs with later project milestones.<sup>11</sup> This adjustment provides applicants with 30 additional days to secure permits and financing before committing to significant upfront costs, directly reflecting the June 2025 Order's objective of reducing financial risk for projects.

---

<sup>8</sup> LIPA, Proposal Concerning Modifications to LIPA's Tariff for Electric Service – SGIP (April 1, 2026), p. 1, <https://www.lipower.org/wp-content/uploads/2026/04/Attachment-3.pdf> (accessed June 10, 2026).

<sup>9</sup> Case 24-E-0621, In the Matter of Modifications to the New York State Standardized Interconnection Requirements and Application Process for New Distributed Generators and/or Energy Storage Systems 5 MW or Less Connected in Parallel with Utility Distribution Systems, Order Modifying Standardized Interconnection Requirements (issued June 23, 2025).

<sup>10</sup> June 2025 Order, pp. 5-7.

<sup>11</sup> LIPA, Proposal Concerning Modifications to LIPA's Tariff for Electric Service – SGIP (April 1, 2026), p. 67, <https://www.lipower.org/wp-content/uploads/2026/04/Attachment-3.pdf> (accessed June 10, 2026).

The June 2025 Order also introduced new requirements to better incorporate ESS operating characteristics into the interconnection review process of the SIR. These changes are intended to allow utilities to evaluate how storage systems interact with the grid under different operating conditions. Specifically, the June 2025 Order placed an emphasis on accounting for charging and discharging patterns in interconnection studies, rather than assuming unrestricted injections by ESS at all times.<sup>12</sup> Matching storage operations schedule with actual conditions can limit peak impacts on the grid and may avoid distribution upgrades that ultimately prove unnecessary. LIPA reflects this change in this proposal to modify Appendix J: ESS Application Requirements of the SGIP. The proposed modifications mirror the structure of Appendix K in the Statewide SIR, ensuring that storage projects are evaluated based on how they are expected to operate on the grid, consistent with the June 2025 Order.

DPS staff determined that LIPA's proposed modifications are consistent with the changes made to the SIR appendices under the June 2025 Order and therefore supports the proposed updates to the SGIP as discussed above. In addition, Staff recommends that LIPA monitor any additional changes to the Statewide SIR resulting from Commission Orders and the ongoing Statewide Working Groups for interconnection processes, and that LIPA effectuate changes to the SGIP to optimize the interconnection process and remain aligned with the SIR to the greatest extent possible.

#### January 2026 SIR Order

The Public Service Commission's Order on Interconnection Queue Management (January 2026 SIR Order) builds on the earlier 2025 SIR modifications by introducing a temporary framework to manage the growing volume of distributed energy resource (DER) interconnection requests.<sup>13</sup> The Order was driven largely by new federal tax credit requirements established by the Internal Revenue Service, which impose strict construction and in-service deadlines on renewable energy projects seeking financial incentives. To address this, the Commission directed utilities to implement structured scheduling, payment, and prioritization mechanisms within the interconnection queue to ensure that as many eligible projects as possible can meet those deadlines and secure tax credits.<sup>14</sup>

The January 2026 SIR Order establishes a new Appendix M to the SIR, introducing a comprehensive albeit temporary framework for managing interconnection-queue prioritization in response to federal tax credit deadlines. The framework includes a formal system for grouping projects (e.g., Group A and Group B), aligns construction schedules with federal timelines, and introduces enabling concepts such as

---

<sup>12</sup> June 2025 Order, pp. 17-21.

<sup>13</sup> Case 24-E-0621, *supra*, Order on Interconnection Queue Management (issued January 23, 2026).

<sup>14</sup> January 2026 SIR Order, pp. 30-32.

utility-assigned Release Dates and coordinated work plans for projects requiring shared upgrades.<sup>15</sup>

The intent of LIPA's proposal is to modify its SGIP queue management procedures and interconnection timelines to accommodate tax credit-eligible projects and align with the January 2026 SIR Order. However, LIPA does not yet explicitly incorporate the queue management mechanisms defined in the newly established Appendix M of the SIR. LIPA and PSEG LI have indicated that additional modifications to further specify their queue management procedures are forthcoming.<sup>16</sup>

PSEG LI expects to notify developers of the additional forthcoming modifications on July 1 and will require them to submit key project details within 15 business days to support proper classification and prioritization within the interconnection queue. In addition, PSEG LI expects to incorporate the provisions of Appendix M of the SIR into a new Appendix S of the SGIP, which will be submitted to the LIPA Board of Trustees for approval in September 2026.<sup>17</sup> PSEG LI will publish the full proposed SGIP in July 2026, along with guidance for developers on submitting the required information prior to the Board of Trustees meeting in September 2026.

While LIPA's current proposal further aligns PSEG LI's practices with the queue management principles introduced in the January 2026 SIR Order, it does not yet fully implement the comprehensive requirements laid out in the SIR. DPS recommends that LIPA's additional modifications anticipated for September 2026 bring PSEG LI's SGIP fully into alignment with the requirements of the 2026 Order and adopted IOU practices regarding project prioritization. DPS recommends that LIPA ensure the timely inclusion and implementation of these procedures, consistent with the goal of maximizing the number of projects that reach in-service status within federal deadlines.

### Government Accounts and SCADA

As part of the interconnection process, Distributed Energy Resources (DER) projects over 500 kilovolt-amperes (kVA) in capacity in LIPA's service territory must install SCADA telecommunications equipment to enable real-time monitoring and control.<sup>18</sup> While SCADA functionality is critical for maintaining grid safety and reliability, the current implementation has presented unique challenges for specific customer classes, particularly governmental entities.

SCADA services are currently enabled through Verizon, and developers must work directly with Verizon to establish the required communications connection. While many developers utilize Verizon's Partner Program E78, which provides support through third-party contractors, governmental customers are not eligible to participate because

---

<sup>15</sup> January 2026 SIR Order, p 17 (defining the Release Date as the date when deposits required under the SIR must be released in order for the utility to achieve the target in-service date).

<sup>16</sup> Response to DPS-26020.

<sup>17</sup> Response to DPS-26020.

<sup>18</sup> Select projects under the 500 kVA threshold may require SCADA under specific conditions.

they already receive discounted services through Verizon's National Program. This restriction prevents them from accessing the additional implementation support available under the Partner Program, making the SCADA interconnection process more complex and time-consuming, and contributing to longer interconnection timelines for these entities. In DPS and PSEG LI Interconnection Working group meetings, several developers have identified the SCADA procurement and installation process as a significant barrier in operationalizing DER projects for governmental entities.<sup>19</sup>

LIPA proposes the introduction of a pilot program to assist certain governmental customers with SCADA interconnection.<sup>20</sup> Under this pilot program, PSEG LI would provide supplemental support, including project management, customer service, and assistance with Verizon billing, to help these customers navigate the SCADA process more efficiently. LIPA's proposal establishes a new Appendix A1 in the SGIP, which would apply specifically to governmental entities and serve as a dedicated framework for facilitating their SCADA interconnection requirements.

Staff acknowledges that challenges pertaining to SCADA have been a persistent issue for governmental customers navigating the interconnection process. By streamlining the SCADA process and providing targeted support, the pilot program is expected to reduce procedural and administrative barriers that have historically delayed DER project development for these customers. Therefore, DPS supports the proposed pilot program as a practical and constructive step towards addressing these issues. More broadly, the proposed improvements will further LIPA's ability to integrate additional clean energy resources into the grid, advancing both LIPA's clean energy objectives and the State's goals under its clean energy and climate policies.

NYSEIA submitted written comments regarding LIPA's proposed changes to the SGIP. NYSEIA supports all of the proposed changes and provides additional comments. NYSEIA states that the changes to the payment deadlines helps to de-risk projects, and the changes regarding energy storage interconnection align closely with the changes proposed by NYSEIA and the Joint Utilities that were adopted by the Commission last year. NYSEIA also supports the changes to prioritize tax credit-eligible projects in the interconnection queue. Regarding prioritization of tax credit-eligible projects, NYSEIA states that LIPA should avoid a rigid framework which may inadvertently inhibit projects. NYSEIA instead suggests that LIPA allow developers to actively engage in the scheduling process by requesting a target in-service date, and then coordinating with the utility to achieve that date, while maintaining diligence and flexibility for all projects. NYSEIA notes that this approach incorporates lessons learned since the implementation of the January 2026 SIR Order. NYSEIA also supports LIPA's proposed changes to the SCADA process and provides additional comments for consideration. NYSEIA suggests revisions to LIPA's proposal to clarify that it includes all SCADA-related equipment and systems at the project site. NYSEIA also recommends that LIPA include the ongoing

---

<sup>19</sup> See PSEG LI, Interconnection Working Group, <https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/sgip/iwg> (accessed June 10, 2026).

<sup>20</sup> LIPA, Proposal Concerning Modifications to LIPA's Tariff for Electric Service – SGIP (April 1, 2026), p. 3, <https://www.lipower.org/wp-content/uploads/2026/04/Attachment-3.pdf> (accessed June 10, 2026).

maintenance costs for the SCADA system in the upfront costs paid by the interconnection customer, to provide greater certainty and reduce administrative complexity over the life of the project. LIPA and PSEG LI should consider NYSEIA's comments and propose any modifications in future tariff filings, as appropriate.

### SGIP Recommendations

LIPA's proposed modifications to its SGIP reflect a continued effort to align its interconnection framework with recent statewide policy developments stemming from the June 2025 and January 2026 Orders. LIPA's proposal incorporates changes in alignment with the statewide approach, and PSEG LI has outlined plans to implement further revisions that will incorporate the full queue management structure introduced in the 2026 Order. In parallel, the proposed SCADA pilot program is designed to alleviate one of the most common challenges faced by governmental customers developing DER projects. These efforts will help accelerate DER deployment on Long Island and support progress toward LIPA's and New York State's clean energy goals. Therefore, DPS supports LIPA's proposed modifications and recommends that the Board adopt the proposal.

In addition, Staff strongly encourage LIPA and PSEG LI to continue to actively participate in the Statewide technical and policy interconnection working groups. These forums provide an essential venue for utilities, developers, regulators and technical experts to exchange information, evaluate emerging technologies and identify opportunities to improve interconnection processes. Continued engagement will enable PSEG LI to share its operational expertise, contribute ideas and incorporate best practices that other utilities have successfully implemented. This will help streamline procedures, reduce unnecessary complexity and enhance transparency for LIPA, PSEG LI and its customers. As such, DPS staff recommends that the LIPA Board adopt the proposal to modify its SGIP procedures as described above.

### **Uniform Business Practices**

LIPA proposes to update its Uniform Business Practices for Energy Services Companies (ESCOs) in LIPA's service territory (UBP-LI-ESCO) and its Uniform Business Practices for Distributed Energy Resource Suppliers (DERS) in LIPA's service territory (UBP-DERS-LIPA). LIPA's proposal will align LIPA's UBPs with the Commission's Uniform Business Practices (UBP) and Uniform Business Practices for Distributed Energy Resource Suppliers (UBP-DERS). LIPA's proposal will also align LIPA's UBPs with recent changes in New York's Public Service Law and General Business Law. LIPA's proposal establishes regulatory controls for Energy Brokers and Energy Consultants (EB&Cs) similar to those in place for ESCOs, and enhances current consumer protections for customers who contract with ESCOs and EB&Cs.

The UBP comprises standardized business rules and procedures for the regulated electric and gas utilities.<sup>21</sup> The UBP has evolved over time in response to market and policy changes, and to benefit and protect consumers. In 2017, the Commission issued the UBP-DERS, instituting rights and responsibilities of DER suppliers operating businesses and programs related to the integration of distributed energy resources into New York's electric system.<sup>22</sup> The LIPA Board of Trustees adopted the UBP-DERS-LIPA and the UBP-LI-ESCO in 2018 and 2021, respectively. LIPA's UBPs largely align with the requirements established in the UBP and UBP-DERS.

In June 2023, the Commission issued an Order Adopting Energy Broker and Energy Consultant Registration Requirements (June 2023 Order) in Case 23-M-0106.<sup>23</sup> In the June 2023 Order, the Commission amended the UBP and UBP-DERS based on Public Service Law §66-t, enacted in 2022. The June 2023 Order added Energy Brokers and Energy Consultants to the UBP and UBP-DERS, including the registration process to ensure financial accountability, standards for the use of customer data, and processes around customer inquiries. More specifically, the June 2023 Order required EB&Cs to register and pay an annual \$500 registration fee to the Commission. EB&Cs must also demonstrate financial security with an irrevocable standby letter of credit in the amount of \$100,000 for Energy Brokers and \$50,000 for Energy Consultants.<sup>24</sup> EB&Cs must also protect against the unauthorized disclosure of confidential customer information and must comply with the Commission's customer data security requirements.<sup>25</sup> Lastly, EB&Cs must maintain processes and procedures to resolve customer inquiries and provide customers with utility emergency contact information.<sup>26</sup> In 2026, the Commission issued another Order in Case 23-M-0106 Adopting Energy Broker and Consultant Financial Assurance Requirements (January 2026 EB&C Order).<sup>27</sup> The January 2026 EB&C Order further amended the UBP and UBP-DERS, requiring EB&Cs to demonstrate financial accountability through a letter of credit or surety bond.

In November 2025, the Commission issued an Order in Case 98-M-1343 Adopting Modifications to the UBP (November 2025 Order).<sup>28</sup> The November 2025

<sup>21</sup> Case 98-M-1343, In the Matter of Retail Access Business Rules, Opinion and Order Concerning Uniform Business Practices (issued February 16, 1999).

<sup>22</sup> Case 15-M-0180, In the Matter of Regulation and Oversight of Distributed Energy Resource Providers and Products, Order Establishing Oversight Framework and Uniform Business Practices for Distributed Energy Resource Suppliers (issued October 19, 2017).

<sup>23</sup> Cases 23-M-0106 et al., In the Matter of Commission Registration of Energy Brokers and Energy Consultants Pursuant to Public Service Law Section 66-t, Order Adopting Energy Broker and Energy Consultant Registration Requirements (issued June 23, 2023).

<sup>24</sup> Cases 23-M-0106 et al., supra, Order Adopting Energy Broker and Energy Consultant Registration Requirements (issued June 23, 2023), Appendix A, p. 6.

<sup>25</sup> June 2023 Order, Appendix A, p. 15.

<sup>26</sup> June 2023 Order, Appendix A, pp. 14, 15.

<sup>27</sup> Cases 23-M-0106 et al., supra, Order Adopting Energy Broker and Consultant Financial Assurance Requirements (issued January 28, 2026).

<sup>28</sup> Case 98-M-1343, In the Matter of Retail Access Business Rules, Order Adopting Modifications to the Uniform Business Practices (issued November 13, 2025).

Order modifies the UBP and UBP-DERS to reflect the changes to General Business Law §349-d. The November 2025 Order requires ESCOs to provide customers with ESCO and utility pricing information upon contract renewal, including information on how they may compare their past bills with what they would have paid had they received energy services from the respective distribution utility. The Order also establishes a definition for what constitutes a material change to a contract between a customer and ESCO, and further requires ESCOs to obtain and maintain a record of express customer consent for any material customer contract.

LIPA's proposal will establish registration requirements for EB&Cs similar to those required by the Commission. Specifically, EB&Cs will be required to file a registration form, paying a \$500 registration fee, and demonstrate that they are financially secure by showing a standby letter of credit or surety bond of at least \$100,000 for energy brokers and \$50,000 for energy consultants. Additionally, EB&Cs must adhere to specific marketing standards. ESCOs may only accept enrollment from registered EB&Cs. Finally, EB&Cs may only access customer usage or credit data after obtaining proper authorization, and they must comply with specific cyber security standards.<sup>29</sup>

Additionally, LIPA's proposal will require ESCOs to provide increased consumer protections and price transparency. ESCOs will be required to obtain express customer consent before implementing a material change to a contract. Last, ESCOs will be required to provide customers with detailed contract renewal notices, which contain pricing comparisons.<sup>30</sup>

LIPA's proposed updates to the UBP-LI-ESCO and UBP-DERS-LIPA are consistent with the Commission's June 2023, November 2025, and January 2026 EB&C Orders. Similarly, the proposed changes will enhance protections for customers who participate in the retail energy markets in LIPA's territory. DPS Staff therefore recommends that the Board adopt the modifications as proposed.

## **Public Policy Transmission Need**

LIPA proposes the adoption of a formula rate template and implementing Protocols (Protocols) to calculate and collect its Annual Transmission Revenue Requirement (ATRR) for costs related to the construction, ownership, and operation of facilities associated with Public Policy Transmission Need Projects (PPTN Projects).<sup>31</sup> Such PPTN Projects include Long Island PPTN Projects, including but not limited to Propel NY T051 Alternate 5 Project (Propel NY). LIPA's proposal for the calculation and collection of LIPA's ATRR for these projects is consistent with Commission Orders and

---

<sup>29</sup> LIPA, Proposal Concerning Modifications to LIPA's Tariff for Electric Service – UBP, (April 1, 2026), p. 3, <https://www.lipower.org/wp-content/uploads/2026/04/Attachment-2.pdf> (accessed June 11, 2026).

<sup>30</sup> LIPA, Proposal Concerning Modifications to LIPA's Tariff for Electric Service – UBP, (April 1, 2026), p. 3, <https://www.lipower.org/wp-content/uploads/2026/04/Attachment-2.pdf> (accessed June 10, 2026).

<sup>31</sup> LIPA, Proposal for Adoption of the LIPA PPTN Formula Rate Methodology and Implementing Protocols, (April 1, 2026), p. 1, <https://www.lipower.org/wp-content/uploads/2026/04/Attachment-1.0v2.pdf> (accessed June 11, 2026).

Matter 26-00346

June 16, 2026

will be performed in coordination with the New York Independent System Operator (NYISO), Department of Public Service Staff, and other stakeholders.

### Background

Bulk Transmission System planning in New York is overseen by the NYISO and implemented through its Comprehensive System Planning Process (CSPP). The CSPP is comprised of four components: the Local Transmission Planning Process, the Reliability Planning Process, the Economic Planning Process, and the Public Policy Transmission Planning Process (Public Policy Process). Each of the four components is designed to identify unique causes which drive the need for transmission upgrades throughout the state.

Under the Public Policy Process, the NYISO requests that interested parties identify potential transmission needs that may be driven by public policy on a biennial basis. The Commission considers the input submitted to the NYISO and may identify Public Policy Requirements that are driving a transmission need within the state. The NYISO then requests that interested entities submit proposals for solutions to the PSC's identified Public Policy Transmission Need (PPTN). Upon evaluating the proposed solutions, the NYISO Board of Directors may select the most cost effective or efficient solution to meet the transmission need.

On August 3, 2020, the NYISO initiated its biennial planning process by issuing a letter inviting stakeholders and interested parties to submit proposed transmission needs driven by Public Policy Requirements.<sup>32</sup> The NYISO Open Access Transmission Tariff (OATT) defines a Public Policy Requirement as "a federal or New York State statute or regulation, including a NYPSC order adopting a rule or regulation subject to and in accordance with the State Administrative Procedure Act ... that may relate to transmission planning on the [bulk power transmission facilities]."<sup>33</sup> On October 9, 2020, the NYISO submitted the fifteen proposals it received to the Commission for consideration.<sup>34</sup> Subsequently, on March 19, 2021, the Commission issued the Order Addressing Public Policy Requirements for Transmission Planning Purposes (PPTN Order).<sup>35</sup>

In the PPTN Order, the Commission found that the Climate Leadership and Community Protection Act (CLCPA) "constitutes a Public Policy Requirement driving the need for additional transmission facilities to deliver the output of offshore wind

---

<sup>32</sup> NYISO, Request for Proposed Transmission Needs Being Driven by Public Policy Requirements for the 2020-2021 Transmission Planning Cycle <https://www.nyiso.com/documents/20142/1406936/2020-2021-Notice-Requesting-Proposed-PPTNs-20200731.pdf/fe90e0d5-3bdc-4fea-bbc4-fe27ccef8b65>.

<sup>33</sup> NYISO OATT §31.1.1, Docket No. ER25-3361-000 (Effective November 3, 2025) (definition of Public Policy Requirement remains unchanged since 2020.).

<sup>34</sup> Case 20-E-0497, In the Matter of New York Independent System Operator, Inc. Proposed Public Policy Transmission Needs for Consideration for 2020, 15 Proposals PPTN 2020-2021 (filed October 9, 2020).

<sup>35</sup> Cases 20-E-0497 and 18-E-0623, supra, Order Addressing Public Policy Requirements for Transmission Planning Purposes (issued March 19, 2021).

generating resources.”<sup>36</sup> The Commission-identified transmission needs will reinforce the grid and enable the full output of offshore wind resources interconnected to Long Island to be delivered to the rest of the state. Further, construction of a project to meet the need identified by the Commission will provide a myriad of benefits including increased operational flexibility, improved resiliency, and potential economic benefits across various future scenarios. Importantly, the likelihood of generator retirements in the Long Island territory in coming years will put increasing pressure on the transmission system to meet the needs of the grid. Strengthening the bulk power transmission system between Long Island and upstate New York is critical to avoid deficiencies and maintain reliability.<sup>37</sup>

Following a thorough review process, on June 13, 2023, the NYISO Board of Directors selected the Propel NY project to fulfill the Long Island Transmission Need identified in the PPTN Order.<sup>38</sup> Propel NY consists of multiple new transmission lines as well as significant upgrades to existing facilities at multiple locations to enable the interconnection and full capacity of the project. In NYISO’s Long Island Offshore Wind Export Public Policy Transmission Planning Report, LIPA is identified as a designated entity, responsible for building, owning, operating and maintaining its facilities associated with the scope of Propel NY.<sup>39</sup> Appendix P of the NYISO Planning Report identified a preliminary list of LIPA’s Propel NY-related public policy project components.<sup>40</sup> In accordance with Attachment P to NYISO’s Open Access Transmission Tariff (OATT), the associated network upgrade facilities required for Propel NY will be finalized through a facilities study.

Under the rules promulgated in NYISO’s Open Access Transmission Tariff (OATT), designated entities are eligible for cost allocation and cost recovery for designated public policy projects and network upgrade facilities identified for the interconnection of a public policy project.<sup>41</sup> Accordingly, LIPA proposes to create and implement a formula rate and associated protocols to collect the ATRR related to its costs associated with Propel NY.

### LIPA’s Protocols and Formula Rate Template

---

<sup>36</sup> PPTN Order, p. 27.

<sup>37</sup> NYISO, Short Term Assessment of Reliability: 2025 Quarter 3 (October 13, 2025), pp. 9-10.

<sup>38</sup> NYISO, NYISO Board of Directors’ decision on approval of Long Island Offshore Wind Export Public Policy Transmission Planning Report and selection of Public Policy Transmission Project (issued June 13, 2023), <https://www.nyiso.com/documents/20142/22968753/Board-Decision-Long-Island-2023-06-13.pdf>.

<sup>39</sup> NYISO, Long Island Offshore Wind Export Public Policy Transmission Planning Report (issued June 13, 2023), p. 11, <https://www.nyiso.com/documents/20142/38391083/Long-Island-Offshore-Wind-Export-Public-Policy-Transmission-Planning-Plan-2023-6-13.pdf>.

<sup>40</sup> NYISO, Long Island Offshore Wind Export Public Policy Transmission Planning Report, Appendix P (issued June 13, 2023), <https://www.nyiso.com/documents/20142/38389467/Long-Island-Offshore-Wind-Export-Public-Policy-Transmission-Planning-Appendices-2023-6-13.pdf/45e0c5a4-a1c1-f585-8edb-cd084fc29aab>.

<sup>41</sup> NYISO OATT Attachment Y §31.5.5 (Effective November 3, 2025).

LIPA proposes collecting the ATRR for its PPTN Projects through the adoption of its Protocols and the Formula Rate Template. The Protocols describe the intent of the cost recovery, the annual update process, and procedures for stakeholder notice and participation. The Formula Rate template is utilized to calculate the ATRR. LIPA proposes collecting the ATRR on an annual basis utilizing a Rate Year from July 1 through June 30 of the following year. Consistent with the collection mechanism described in Section 6.10.5 of Schedule 10 in NYISO's OATT for eligible PPTN projects undertaken by LIPA, the collection of the ATRR will be effectuated through LIPA's Regulated Transmission Facilities Charge (RTFC).<sup>42</sup>

Staff from LIPA, LIPA's outside consultant, and DPS coordinated to develop LIPA's Protocols and Formula Rate Template with the objective of ensuring consistency with other project developers, providing transparency to the public, and providing opportunities for stakeholder participation. LIPA's Protocols establish guidelines for the calculation of its ATRR and its annual update process. LIPA's guidelines adhere closely to the guidelines that the New York Power Authority's (NYPA) protocols established to calculate the ATRR that NYPA will use to collect its revenue requirement associated with Propel NY.<sup>43</sup> The annual update process is intended to refresh the projected ATRR for the upcoming rate year which will provide an opportunity for stakeholders to review the projected ATRR, submit information requests, and file challenges regarding the substance of the update.

By July 1 each year, LIPA will publish the annual update on its website (the Publication date).<sup>44</sup> Within 1 business day of the Publication date, LIPA will also notify interested parties of the posting, and the time, location, and call-in information for the stakeholder meeting. The stakeholder meeting will provide interested parties with an opportunity to seek information and clarification regarding the proposal. Interested parties will also have 120 days from the Publication date to submit information requests regarding the annual update. The Protocols also set forth a process allowing any interested party to submit a challenge to LIPA regarding the annual update or the ATRR within 180 days of the Publication date.

The challenge process includes a preliminary resolution phase during which LIPA staff shall make a good faith effort to respond to a challenge within 20 business days. Then LIPA and the interested party will attempt to resolve the challenge within 60 calendar days after LIPA's response. If the dispute remains unresolved at the end of the 60-calendar day period, the interested party may escalate the challenge by requesting review by the Hearing Officer within 30 calendar days. The Hearing Officer, LIPA's Chief Financial Officer, will then develop a recommended decision that will be considered by the LIPA Board of Trustees. If the resolution to a challenge results in changes to the

---

<sup>42</sup> NYISO, Proposed Tariff Revisions to Establish a Long Island Regulated Transmission Facilities Charge, (filed April 30, 2026), Docket No. ER26-2410-000 (NYISO submitted this filing with the Federal Energy Regulatory Commission (FERC), on behalf of LIPA, to implement a new attachment 6 to rate schedule 10 to address LIPA's RTFC.).

<sup>43</sup> NYISO OATT Attachment H §14.2.3.2.

<sup>44</sup> If July 1 falls on a weekend or holiday, LIPA will post the update no later than the next business day. The Publication date will correspond to the date the update was posted.

annual update for the current or prior year, the changes will be reflected in the annual update for the subsequent rate year.

The projected ATRR for each upcoming Rate Year will be calculated using LIPA's formula rate template. The projected ATRR will utilize the actual costs incurred by LIPA in the prior calendar year as a proxy for the upcoming rate year. Additionally, a true up mechanism in each Rate Year will be used to reconcile revenues received with actual costs incurred during the prior calendar year. Further, any changes identified through the annual update process during the Rate Year, accounting changes impacting the ATRR, and adjustments from prior periods, if discovered, will be incorporated into the true up adjustment and included in the projected ATRR for the next Rate Year. The inputs for the projected ATRR will be based on LIPA's audited financial reports and accounting records, which are maintained in a similar structure to the FERC Form 1 requirements.

DPS Staff has reviewed LIPA's Protocols for its annual update process to ensure alignment with processes used for comparable transmission projects. LIPA's Protocols will ensure the accuracy of the annual update because it will occur after the annual release of their audited financials. Additionally, it is our recommendation that LIPA coordinate with DPS Staff in the months leading up to the publication of the annual update. By April 1 of each year, LIPA should confer with DPS Staff regarding the updated costs being utilized as inputs to the Formula Rate for the annual update and any other changes being made, including but not limited to accounting changes or changes resulting from the challenge process. This coordinated review will bolster the integrity of the annual update process, benefiting all parties.

LIPA's formula rate template will be utilized to calculate its ATRR associated with the PPTN Projects for which it is a designated entity. The calculated ATRR will then serve as the basis for the RTFC that the NYISO will charge to each responsible Load Serving Entity (LSE) based on their actual energy withdrawals.<sup>45</sup> In summary, the formula rate template calculates the ATRR as the sum of Operating Expenses and Return on Rate Base which is then adjusted for the Annual true up and taxes.<sup>46</sup> Also, the formula rate template contains detailed calculations of all elements in the ATRR. Further, LIPA proposes a capital structure of 51 percent equity and 49 percent long-term debt, with a proposed return on equity (ROE) of 9.75 percent.

---

<sup>45</sup> Consistent with the Commission's May 16, 2022, Order in Cases 20-E-0497 and 18-E-0623, LIPA proposes to collect the revenues from all responsible LSEs utilizing the default load ratio share allocation methodology described in NYISO's OATT; Cases 20-E-04976 and 18-E-0623, supra, Order on Petition for Rehearing, (issued May 16, 2022), p. 29.

<sup>46</sup> LIPA will publish the rate calculations to its website annually. The Formula Rate template includes other terms such as project specific return adjustments, and project specific incentive returns, in the calculation of the ATRR, however, LIPA is not proposing to utilize those items in its current calculation of the ATRR. Any amounts proposed in future years for these values would need to be included and supported in future annual updates.

LIPA's proposed ROE is consistent with NYPA's ROE for Propel NY.<sup>47</sup> During construction of LIPA's PPTN Project components and related network upgrades, LIPA will apply 100 percent of the costs related to Construction Work in Progress to the rate base. Following the in-service date of each project, LIPA will then begin depreciating the assets using the results of its most recent depreciation study. Based on DPS's review, LIPA's proposed formula rate template is consistent with templates employed by comparable projects and is correctly structured to calculate the ATRR.

LIPA will record costs related to the project through its audited financial statements and will subsequently develop the ATRR utilizing the formula rate template as discussed above. Then, LIPA will provide the ATRR to the NYISO, which will publish the corresponding RTFC in its OATT. The NYISO will bill LSEs, including LIPA, according to their energy withdrawals. LIPA will collect the revenues from its customers through its power supply charge to pay its share of the RTFC as billed by the NYISO.

Pursuant to the LIPA Reform Act, if LIPA proposes to increase its gross aggregate annual revenue by more than 2.5 percent, it must file its corresponding proposed rate increase with the Department for review. LIPA's annual gross revenue is not expected to increase by more than 2.5 percent for the initial rate year when including the impacts of Propel. DPS will monitor the effects from Propel and LIPA's budget and on customer bills annually to assess its overall impact and LIPA's compliance with the 2.5 percent threshold.

As discussed in the Commission's PPTN Order and the NYISO's June 13, 2023, decision and report, Propel will provide critical upgrades to New York's transmission grid, allowing for the full utilization of offshore wind resources and improving overall reliability and capacity.<sup>48</sup> Staff has reviewed LIPA's proposal to implement a recovery mechanism for the costs related to its responsibilities to enable the construction and interconnection of the Propel project in a reliable manner. Staff finds that LIPA's implementation Protocols and formula rate template are consistent with Commission Orders and with current practices by other developers for comparable projects. While LIPA is only currently utilizing its RTFC for costs related to the Propel project, NYISO's tariff allows the RTFC to apply to other PPTN projects in the future. DPS recommends that LIPA coordinate with DPS prior to expanding the scope of the RTFC to recover costs for any projects other than Propel NY to ensure continued diligence and consistency, because LSEs across the state will be impacted by LIPA's policies. DPS therefore recommends that the Board approve the proposal in accordance with this recommendation, and the other aspects included in the discussion above.

---

<sup>47</sup> FERC Docket No. ER25-198-000 et al., Letter Order Approving New York Power Authority's Offer of Settlement, (issued December 29, 2025).

<sup>48</sup> PPTN Order, p. 23; NYISO, NYISO Board of Directors' decision on approval of Long Island Offshore Wind Export Public Policy Transmission Planning Report and selection of Public Policy Transmission Project (issued June 13, 2023), <https://www.nyiso.com/documents/20142/22968753/Board-Decision-Long-Island-2023-06-13.pdf>; NYISO, Long Island Offshore Wind Export Public Policy Transmission Planning Report (issued June 13, 2023), p. 11, <https://www.nyiso.com/documents/20142/38391083/Long-Island-Offshore-Wind-Export-Public-Policy-Transmission-Planning-Plan-2023-6-13.pdf>.

Matter 26-00346

June 16, 2026

## Conclusion

Department Staff has reviewed LIPA's proposed Tariff modifications and finds the proposed updates to be consistent with Commission Orders and the Public Service Law. Department Staff have also reviewed LIPA's proposal related to the PPTN projects and finds that they are consistent with Commission Orders and developer practices for similar projects. The Department therefore recommends that the Tariff modifications be adopted by the LIPA Board consistent with the recommendations and discussions contained herein.

Respectfully submitted,



Rory M. Christian  
Chief Executive Officer

CC: Carrie Meek Gallagher, LIPA Chief Executive Officer  
Bobbi O'Connor, LIPA General Counsel & Secretary to the Board of Trustees  
William Wai, LIPA Director of Rates  
Scott Jennings, PSEG LI President and Chief Operating Officer  
Andrea Elder-Howell, PSEG LI VP Legal Services  
Joseph Trainor, PSEG LI Senior Manager of Rates  
Nicholas Forst, DPS LI Director  
Peter Hilerio, DPS LI Counsel

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

LONG ISLAND POWER AUTHORITY

-----X

PUBLIC HEARING

TARIFF PROPOSALS

-----X

H. Lee Dennison Bld.

100 Veterans Memorial

Highway

June 1st, 2026

10:00 A.m.

B E F O R E:

WILLIAM WAI,

THE HEARING OFFICER

1

2     A P P E A R A N C E S:

3     William Wai, Presiding Officer

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1

2

## P R O C E E D I N G S

3

PRESIDING OFFICER WAI: Good

4

morning. Welcome to the Long Island Power

5

Authority's public hearing this morning. My name

6

is William Wai. I'll be the presiding officer for

7

the hearing this morning.

8

The purpose of this hearing is to

9

receive public comments regarding proposed changes

10

to the authority's tariff on four topics. Copies

11

of the tariff proposal and materials are available

12

on the authority's website, [www.lipower.org](http://www.lipower.org), and

13

they'll be incorporated into the records for the

14

hearing.

15

The procedure for this morning's

16

hearing is simple. In a moment, I'll provide a

17

short overview of the proposals. After that, I'm

18

going to call for comments from the public on the

19

sign-up sheet. And when you are called to speak,

20

please start by telling us your name and whether

21

you're speaking on behalf of any organization or

22

group.

23

If you want to speak this morning

24

but have not signed in yet, you will need to do so

25

before speaking. Please note that the purpose of

1

2 this hearing is to receive your comments regarding  
3 the tariff proposals. I will not be responding to  
4 any questions or comments today.

5 Your comments will be relayed to  
6 the authority staff and board of trustees for their  
7 consideration in the next board meeting. If you  
8 have a question, as opposed to comments, we'll be  
9 happy to discuss them with you after the hearing.  
10 You can also email or write to us with any comments  
11 you have, and they will be included for the records  
12 to the trustees.

13 Now, let's get to the proposal.  
14 There are four proposed topics today: The first  
15 topic is to update LIPA's uniform business  
16 practices to better align with the practices of New  
17 York State Public Service Commission, establishing  
18 registration requirements for energy brokers and  
19 energy consultants, and also implementing enhanced  
20 customer protection and transparency requirements  
21 for energy service companies.

22 The second is to modify LIPA's  
23 small generator interconnection procedures to align  
24 with the statewide practices, allowing  
25 accommodations of tax credit-eligible projects, and

1  
2 introducing our pilot program to assist eligible  
3 customers with the supervisory control and data  
4 acquisition, also known as SCADA, S-C-A-D-A, in the  
5 connection process.

6 The third is to modify -- is to  
7 clarify the LIPA's electric vehicle-facing rates,  
8 specifically allowing program participation of  
9 charging stations with energy storage not paired  
10 with any other distributed generation resource.

11 The fourth topic is to adopt  
12 formula rate methodology and implementation  
13 protocols to calculate an annual revenue  
14 requirement for transmission network upgrades  
15 constructed and owned by LIPA as a public policy  
16 transmission need, also known as a PPTN, designated  
17 entity.

18 These are the four topics for the  
19 hearing this morning. Now I'm going to open up the  
20 floor for public comments. It looks like we don't  
21 have anyone in the public signed up to speak. Wait  
22 a few minutes. Let's go off the record.

23 (A recess was taken.)

24 PRESIDING OFFICER WAI: Let's get  
25 back on the record. Now is 10:33 a.m. There are

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

no public participants signed up to this meeting.

Let's close this morning's public hearing. Thank you.


(Whereupon, at 10:33 a.m., the meeting was hereby adjourned.)

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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 7, 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 18Th day of June 2026.



-----  
MARC RUSSO

### Concordance

**< Dates >**  
**18Th day of**  
**June 2026.**  
 7: 14  
**June 1st,**  
**2026 1: 10**

**<0>**  
**00 1: 11**

**<1>**  
**1 7: 10**  
**10 1: 11, 6: 1,**  
 6: 5  
**100 1: 8**

**<3>**  
**33 6: 1, 6: 5**

**<7>**  
**7 7: 10**

**< A >**  
**A. m. 1: 11,**  
 6: 1, 6: 5  
**accommodation**  
 s 5: 1  
**acquisition**  
 5: 4  
**adjourned.**  
 6: 6  
**adopt 5: 11**  
**aforsaid**  
 7: 11  
**align 4: 16,**  
 4: 23  
**allowing**  
 4: 24, 5: 8  
**annual 5: 13**  
**assist 5: 2**  
**Authority**  
 1: 2, 3: 5,  
 3: 10, 3: 12,

4: 6  
**available**  
 3: 11

**< B >**  
**back 6: 1**  
**behalf 3: 21**  
**better 4: 16**  
**Bl d 1: 7**  
**board 4: 6,**  
 4: 7  
**brokers 4: 18**  
**business 4: 15**

**< C >**  
**calculate**  
 5: 13  
**call 3: 18**  
**called 3: 19**  
**certify 7: 9**  
**changes 3: 9**  
**charging 5: 9**  
**clarify 5: 7**  
**close 6: 3**  
**comments 3: 9,**  
 3: 18, 4: 2,  
 4: 4, 4: 5,  
 4: 8, 4: 10,  
 5: 20  
**Commission**  
 4: 17  
**companies**  
 4: 21  
**connection**  
 5: 5  
**consideration**  
 4: 7  
**constructed**  
 5: 15  
**consultants**  
 4: 19  
**control 5: 3**  
**Copies 3: 10**  
**correct 7: 11**  
**COUNTY 7: 4**  
**credit-eligib**

**le 5: 1**  
**customer 4: 20**  
**customers 5: 3**

**< D >**  
**data 5: 3**  
**Dennison 1: 7**  
**designated**  
 5: 16  
**discuss 4: 9**  
**distributed**  
 5: 10

**< E >**  
**electric 5: 7**  
**eligible 5: 2**  
**email 4: 10**  
**energy 4: 18,**  
 4: 19, 4: 21,  
 5: 9  
**enhanced 4: 19**  
**entity 5: 17**  
**establishing**  
 4: 17

**< F >**  
**few 5: 22**  
**first 4: 14**  
**floor 5: 20**  
**foregoing**  
 7: 10  
**formula 5: 12**  
**four 3: 10,**  
 4: 14, 5: 18  
**fourth 5: 11**

**< G >**  
**generation**  
 5: 10  
**generator**  
 4: 23  
**group 3: 22**

**< H >**  
**H. 1: 7**  
**happy 4: 9**  
**HEARING 1: 4,**  
 1: 17, 3: 5,  
 3: 7, 3: 8,  
 3: 14, 3: 16,  
 4: 2, 4: 9,  
 5: 19, 6: 4  
**hereby 6: 6,**  
 7: 9  
**hereunto 7: 14**  
**Highway 1: 9**

**< I >**  
**implementatio**  
 n 5: 12  
**implementing**  
 4: 19  
**included 4: 11**  
**incorporated**  
 3: 13  
**interconnecti**  
 on 4: 23  
**introducing**  
 5: 2  
**Island 1: 2,**  
 3: 4

**< K >**  
**known 5: 4,**  
 5: 16

**< L >**  
**Lee 1: 7**  
**LIPA 4: 15,**  
 4: 22, 5: 7,  
 5: 15  
**Long 1: 2, 3: 4**  
**looks 5: 20**

**< M >**  
**MARC 7: 7,**  
 7: 17

## Concordance

<b>materials</b> 3: 11	6: 2	<b>questions</b> 4: 4	3: 21, 4: 1
<b>meeting</b> 4: 7, 6: 2, 6: 6	<b>participation</b> 5: 8	<b>&lt; R &gt;</b>	<b>specifically</b> 5: 8
<b>Memorial</b> 1: 8	<b>pilot</b> 5: 2	<b>rate</b> 5: 12	<b>SS</b> 7: 3
<b>methodology</b> 5: 12	<b>place</b> 7: 11	<b>rates</b> 5: 7	<b>staff</b> 4: 6
<b>minutes</b> 5: 22	<b>Please</b> 3: 20, 4: 1	<b>receive</b> 3: 9, 4: 2	<b>start</b> 3: 20
<b>modify</b> 4: 22, 5: 6	<b>policy</b> 5: 15	<b>recess</b> 5: 23	<b>State</b> 4: 17, 7: 2, 7: 9
<b>moment</b> 3: 16	<b>Power</b> 1: 2, 3: 4	<b>record</b> 5: 22, 6: 1	<b>statewide</b> 4: 24
<b>morning</b> 3: 4, 3: 5, 3: 7, 3: 15, 3: 23, 5: 19, 6: 3	<b>PPTN</b> 5: 16	<b>records</b> 3: 13, 4: 11	<b>stations</b> 5: 9
<b>&lt; N &gt;</b>	<b>practices</b> 4: 16, 4: 24	<b>regarding</b> 3: 9, 4: 2	<b>Stenotype</b> 7: 8
<b>name</b> 3: 5, 3: 20, 7: 14	<b>PRESIDING</b> 2: 3, 3: 3, 3: 6, 5: 24	<b>registration</b> 4: 18	<b>storage</b> 5: 9
<b>need</b> 3: 24, 5: 16	<b>procedure</b> 3: 15	<b>relayed</b> 4: 5	<b>supervisory</b> 5: 3
<b>network</b> 5: 14	<b>procedures</b> 4: 23	<b>Reporter</b> 7: 8	<b>&lt; T &gt;</b>
<b>New</b> 4: 16, 7: 2, 7: 4, 7: 9	<b>process</b> 5: 5	<b>requirement</b> 5: 14	<b>taken.</b> 5: 23
<b>next</b> 4: 7	<b>program</b> 5: 2, 5: 8	<b>requirements</b> 4: 18, 4: 20	<b>TARIFF</b> 1: 5, 3: 10, 3: 11, 4: 3
<b>Notary</b> 7: 8	<b>projects</b> 5: 1	<b>resource</b> 5: 10	<b>tax</b> 5: 1
<b>note</b> 4: 1	<b>proposal</b> 3: 11, 4: 13	<b>responding</b> 4: 3	<b>they'll</b> 3: 13
<b>notes</b> 7: 12	<b>PROPOSALS</b> 1: 5, 3: 17, 4: 3	<b>revenue</b> 5: 13	<b>third</b> 5: 6
<b>&lt; O &gt;</b>	<b>proposed</b> 3: 9, 4: 14	<b>RUSSO</b> 7: 7, 7: 17	<b>today</b> 4: 4, 4: 14
<b>OFFICER</b> 1: 17, 2: 3, 3: 3, 3: 6, 5: 24	<b>protection</b> 4: 20	<b>&lt; S &gt;</b>	<b>topic</b> 4: 15, 5: 11
<b>open</b> 5: 19	<b>protocols</b> 5: 13	<b>S- C- A- D- A</b> 5: 4	<b>topics</b> 3: 10, 4: 14, 5: 18
<b>opposed</b> 4: 8	<b>provide</b> 3: 16	<b>SCADA</b> 5: 4	<b>transcription</b> 7: 12
<b>organization</b> 3: 21	<b>Public</b> 1: 4, 3: 5, 3: 9, 3: 18, 4: 17, 5: 15, 5: 20, 5: 21, 6: 2, 6: 3, 7: 8	<b>second</b> 4: 22	<b>transmission</b> 5: 14, 5: 16
<b>overview</b> 3: 17	<b>purpose</b> 3: 8, 4: 1	<b>Service</b> 4: 17, 4: 21	<b>transparency</b> 4: 20
<b>owned</b> 5: 15	<b>&lt; P &gt;</b>	<b>set</b> 7: 14	<b>true</b> 7: 11
<b>pages</b> 7: 10	<b>paired</b> 5: 9	<b>sheet</b> 3: 19	<b>trustees</b> 4: 6, 4: 12
<b>participants</b>	<b>participants</b>	<b>short</b> 3: 17	<b>&lt; U &gt;</b>
	<b>question</b> 4: 8	<b>Shorthand</b> 7: 7, 7: 12	<b>uniform</b> 4: 15
		<b>sign-up</b> 3: 19	<b>update</b> 4: 15
		<b>signed</b> 3: 24, 5: 21, 6: 2	<b>upgrades</b> 5: 14
		<b>simple</b> 3: 16	
		<b>small</b> 4: 23	
		<b>speaking</b>	

## Concordance

### < V >

**vehicle-fac  
ing** 5: 7  
**Veterans** 1: 8

### < W >

**WAI** 1: 16,  
2: 3, 3: 3,  
3: 6, 5: 24  
**Wait** 5: 21  
**website** 3: 12  
**Welcome** 3: 4  
**WHEREOF** 7: 13  
**Whereupon** 6: 5  
**whether** 3: 20  
**will** 3: 24,  
4: 3, 4: 5,  
4: 11  
**William** 1: 16,  
2: 3, 3: 6  
**within** 7: 8  
**WITNESS** 7: 13  
**write** 4: 10  
**www.lipower.o  
rg** 3: 12

### < Y >

**York** 4: 17,  
7: 2, 7: 4,  
7: 9

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

LONG ISLAND POWER AUTHORITY

-----X

PUBLIC HEARING

TARIFF PROPOSALS

-----X

333 Earle Ovington Blvd

Uniondale, NY

June 1st, 2026

6:30 p.m.

B E F O R E:

WILLIAM WAI,

THE HEARING OFFICER

1

2     A P P E A R A N C E S:

3     William Wai, Presiding Officer

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1

2

## P R O C E E D I N G S

3

THE HEARING OFFICER: Good

4

afternoon. Welcome to the Long Island Power

5

Authority's public hearing this afternoon. My name

6

is William Wai. I will be the presiding officer

7

for the hearing this afternoon.

8

The purpose of this hearing is to

9

receive public comments regarding proposed changes

10

to the authority's tariff on four topics. Copies

11

of the tariff proposals and materials are available

12

on the authority's website, [www.lipower.org](http://www.lipower.org), and

13

they will be incorporated into the records for the

14

hearing.

15

The procedure used for this

16

afternoon's hearing is simple. In a moment, I will

17

provide a short overview of the proposals. After

18

that, I'm going to call for comments from the

19

public on the sign-up sheet. When you are called

20

to speak, please start by telling us your name and

21

whether you are speaking on behalf of any

22

organization or group.

23

If you want to speak this

24

afternoon and have not signed in yet, you will need

25

to do so before speaking. Please note that the

1

2 purpose of this hearing is to receive your comments  
3 regarding the tariff proposals.

4

5 I will not be responding to any  
6 questions or comments today. Your comments will be  
7 relayed to the authority staff and Board of  
8 Trustees for their consideration in the next board  
9 meeting.

9

10 If you have questions as opposed  
11 to comments, we'll be happy to discuss them with  
12 you after the hearing. You can also email or write  
13 to us with any comments you have, and they'll be  
14 included for the records to the trustees.

14

15 Now to the proposal. There are  
16 four topics today. The first topic is to update  
17 LIPA's uniform business practices to better align  
18 with the practices of New York State Public Service  
19 Commission, establishing registration requirements  
20 for energy brokers and energy consultants, and  
21 implementing enhanced customer protections and  
22 transparency requirements for energy service  
23 companies.

23

24 The second is to modify LIPA's  
25 small generator interconnection procedures to align  
with the statewide practices, allowing

1

2 accommodation of tax credit-eligible projects and  
3 introducing the pilot program to assist eligible  
4 customers with the Supervisory Control and Data  
5 Acquisition, also known as SCADA, interconnection  
6 process.

7

8 The third is to clarify LIPA's  
9 electric vehicle facing rates, specifically  
10 allowing program participation of charging stations  
11 with energy storage not paired with any other  
12 distributed energy generation resource.

13

14 The fourth topic is to adopt the  
15 formula rate methodology and implementation  
16 protocols to calculate an annual revenue  
17 requirement for transmission network upgrades  
18 constructed and owned by LIPA as the Public Policy  
19 Transmission Need, also known as PPTN, designated  
20 entity.

21

22 These are the four topics for the  
23 hearing this afternoon. And now let's hear from  
24 the public. Do we have anyone -- let's start with  
25 the sign-up sheet and then the online.

26

27 LIPA STAFF: Yes. We have Rachel  
28 Burke.

29

30 THE HEARING OFFICER: Okay. Let's

1

2 -- yeah, Rachael online. Do you have  
3 (unintelligible)?

4 Oh, okay. So, Rachel was in the  
5 meeting, but not to make any comments?

6 LIPA STAFF: We don't have any  
7 attendees yet.

8 THE HEARING OFFICER: Okay.  
9 Currently, we don't have anybody from the public  
10 who has signed up to speak. So let's wait for a  
11 few minutes.

12 Court reporter, I would like us to  
13 go off the record for now. Thank you.

14 (A recess was taken.)

15 THE HEARING OFFICER: All right.  
16 Let's get back on the record. Now, it's 6:30 p.m.,  
17 and there are no public participants here to make a  
18 comment. There's no public speaker online signed  
19 up for comment?

20 LIPA STAFF: There is none.

21 THE HEARING OFFICER: Let's close  
22 this afternoon's public hearing. And thanks to  
23 everybody.

24

25 (Whereupon, at 6:30 p.m., the

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

meeting was hereby adjourned.)


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 7, 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 18Th day of June 2026.

  
-----  
MARC RUSSO

### Concordance

**< Dates >**  
**18Th day of**  
**June 2026.**  
 7: 15  
**June 1st,**  
**2026** 1: 9

**<1>**  
 1 7: 11

**<3>**  
**30** 1: 10,  
 6: 16, 7: 1  
**333** 1: 7

**<6>**  
**6** 1: 10, 6: 16,  
 7: 1

**<7>**  
 7 7: 11

**< A >**  
**accommodation**  
 5: 2  
**Acquisition**  
 5: 5  
**adjourned.**  
 7: 2  
**adopt** 5: 12  
**aforesaid**  
 7: 12  
**afternoon**  
 3: 4, 3: 5,  
 3: 7, 3: 16,  
 3: 24, 5: 20,  
 6: 22  
**align** 4: 16,  
 4: 24  
**allowing** 5: 1,  
 5: 9  
**annual** 5: 14  
**anybody** 6: 9

**assist** 5: 3  
**attendees** 6: 7  
**Authority**  
 1: 2, 3: 5,  
 3: 10, 3: 12,  
 4: 6  
**available**  
 3: 11

**< B >**  
**back** 6: 16  
**behalf** 3: 21  
**better** 4: 16  
**Blvd** 1: 7  
**Board** 4: 6,  
 4: 7  
**brokers** 4: 19  
**Burke** 5: 24  
**business** 4: 16

**< C >**  
**calculate**  
 5: 14  
**call** 3: 18  
**called** 3: 19  
**certify** 7: 10  
**changes** 3: 9  
**charging** 5: 9  
**clarify** 5: 7  
**close** 6: 21  
**comment** 6: 18,  
 6: 19  
**comments** 3: 9,  
 3: 18, 4: 2,  
 4: 5, 4: 10,  
 4: 12, 6: 5  
**Commission**  
 4: 18  
**companies**  
 4: 22  
**consideration**  
 4: 7  
**constructed**  
 5: 16  
**consultants**  
 4: 19

**Control** 5: 4  
**Copies** 3: 10  
**correct** 7: 12  
**COUNTY** 7: 5  
**Court** 6: 12  
**credit-eligib**  
**le** 5: 2  
**Currently** 6: 9  
**customer** 4: 20  
**customers** 5: 4

**< D >**  
**Data** 5: 4  
**designated**  
 5: 17  
**discuss** 4: 10  
**distributed**  
 5: 11

**< E >**  
**Earle** 1: 7  
**electric** 5: 8  
**eligible** 5: 3  
**email** 4: 11  
**energy** 4: 19,  
 4: 21, 5: 10,  
 5: 11  
**enhanced** 4: 20  
**entity** 5: 18  
**establishing**  
 4: 18  
**everybody**  
 6: 23

**< F >**  
**facing** 5: 8  
**few** 6: 11  
**first** 4: 15  
**foregoing**  
 7: 11  
**formula** 5: 13  
**four** 3: 10,  
 4: 15, 5: 19  
**fourth** 5: 12

**< G >**  
**generation**  
 5: 11  
**generator**  
 4: 24  
**group** 3: 22

**< H >**  
**happy** 4: 10  
**hear** 5: 20  
**HEARING** 1: 4,  
 1: 16, 3: 3,  
 3: 5, 3: 7,  
 3: 8, 3: 14,  
 3: 16, 4: 2,  
 4: 11, 5: 20,  
 6: 1, 6: 8,  
 6: 15, 6: 21,  
 6: 22  
**hereby** 7: 2,  
 7: 10  
**hereunto** 7: 15

**< I >**  
**implementatio**  
**n** 5: 13  
**implementing**  
 4: 20  
**included** 4: 13  
**incorporated**  
 3: 13  
**interconnecti**  
**on** 4: 24,  
 5: 5  
**introducing**  
 5: 3  
**Island** 1: 2,  
 3: 4

**< K >**  
**known** 5: 5,  
 5: 17

## Concordance

## &lt; L &gt;

**LIPA** 4: 16,  
4: 23, 5: 7,  
5: 16, 5: 23,  
6: 6, 6: 20  
**Long** 1: 2, 3: 4

## &lt; M &gt;

**MARC** 7: 8,  
7: 18  
**materials**  
3: 11  
**meeting** 4: 8,  
6: 5, 7: 2  
**methodology**  
5: 13  
**minutes** 6: 11  
**modify** 4: 23  
**moment** 3: 16

## &lt; N &gt;

**name** 3: 5,  
3: 20, 7: 15  
**Need** 3: 24,  
5: 17  
**network** 5: 15  
**New** 4: 17,  
7: 3, 7: 5,  
7: 10  
**next** 4: 7  
**none** 6: 20  
**Notary** 7: 9  
**note** 4: 1  
**notes** 7: 13  
**NY** 1: 8

## &lt; O &gt;

**OFFICER** 1: 16,  
2: 3, 3: 3,  
3: 6, 6: 1,  
6: 8, 6: 15,  
6: 21  
**Okay** 6: 1,  
6: 4, 6: 8  
**online** 5: 22,

6: 2, 6: 18  
**opposed** 4: 9  
**organization**  
3: 22  
**overview** 3: 17  
**Ovington** 1: 7  
**owned** 5: 16

## &lt; P &gt;

**p. m.** 1: 10,  
6: 16, 7: 1  
**pages** 7: 11  
**paired** 5: 10  
**participants**  
6: 17  
**participation**  
5: 9  
**pilot** 5: 3  
**place** 7: 12  
**Please** 3: 20,  
4: 1  
**Policy** 5: 16  
**Power** 1: 2,  
3: 4  
**PPTN** 5: 17  
**practices**  
4: 16, 4: 17,  
5: 1  
**Presiding**  
2: 3, 3: 6  
**procedure**  
3: 15  
**procedures**  
4: 24  
**process** 5: 6  
**program** 5: 3,  
5: 9  
**projects** 5: 2  
**proposal** 4: 14  
**PROPOSALS**  
1: 5, 3: 11,  
3: 17, 4: 3  
**proposed** 3: 9  
**protections**  
4: 20  
**protocols**  
5: 14

**provide** 3: 17  
**Public** 1: 4,  
3: 5, 3: 9,  
3: 19, 4: 17,  
5: 16, 5: 21,  
6: 9, 6: 17,  
6: 18, 6: 22,  
7: 9  
**purpose** 3: 8,  
4: 2

## &lt; Q &gt;

**questions**  
4: 5, 4: 9

## &lt; R &gt;

**Rachael** 6: 2  
**Rachel** 5: 23,  
6: 4  
**rate** 5: 13  
**rates** 5: 8  
**receive** 3: 9,  
4: 2  
**recess** 6: 14  
**record** 6: 13,  
6: 16  
**records** 3: 13,  
4: 13  
**regarding**  
3: 9, 4: 3  
**registration**  
4: 18  
**relayed** 4: 6  
**Reporter**  
6: 12, 7: 9  
**requirement**  
5: 15  
**requirements**  
4: 18, 4: 21  
**resource** 5: 11  
**responding**  
4: 4  
**revenue** 5: 14  
**RUSSO** 7: 8,  
7: 18

## &lt; S &gt;

**SCADA** 5: 5  
**second** 4: 23  
**Service** 4: 17,  
4: 21  
**set** 7: 15  
**sheet** 3: 19,  
5: 22  
**short** 3: 17  
**Shorthand**  
7: 8, 7: 13  
**sign-up** 3: 19,  
5: 22  
**signed** 3: 24,  
6: 10, 6: 18  
**simple** 3: 16  
**small** 4: 24  
**speaker** 6: 18  
**speaking**  
3: 21, 4: 1  
**specifically**  
5: 8  
**SS** 7: 4  
**STAFF** 4: 6,  
5: 23, 6: 6,  
6: 20  
**start** 3: 20,  
5: 21  
**State** 4: 17,  
7: 3, 7: 10  
**statwide** 5: 1  
**stations** 5: 9  
**Stenotype** 7: 9  
**storage** 5: 10  
**Supervisory**  
5: 4

< T >  
**taken.** 6: 14  
**TARIFF** 1: 5,  
3: 10, 3: 11,  
4: 3  
**tax** 5: 2  
**thanks** 6: 22  
**they'll** 4: 12  
**third** 5: 7

## Concordance

**t o d a y** 4 : 5 ,  
4 : 15  
**t o p i c** 4 : 15 ,  
5 : 12  
**t o p i c s** 3 : 10 ,  
4 : 15 , 5 : 19  
**t r a n s c r i p t i o n**  
7 : 13  
**T r a n s m i s s i o n**  
5 : 15 , 5 : 17  
**t r a n s p a r e n c y**  
4 : 21  
**t r u e** 7 : 12  
**T r u s t e e s** 4 : 7 ,  
4 : 13

**< U >**  
**u n i f o r m** 4 : 16  
**u n i n t e l l i g i b l e**  
6 : 3  
**U n i o n d a l e** 1 : 8  
**u p d a t e** 4 : 15  
**u p g r a d e s** 5 : 15

**< V >**  
**v e h i c l e** 5 : 8

**< W >**  
**W a i** 1 : 15 ,  
2 : 3 , 3 : 6  
**w a i t** 6 : 10  
**w e b s i t e** 3 : 12  
**W e l c o m e** 3 : 4  
**W H E R E O F** 7 : 14  
**W h e r e u p o n** 7 : 1  
**w h e t h e r** 3 : 21  
**w i l l** 3 : 6 ,  
3 : 13 , 3 : 16 ,  
3 : 24 , 4 : 4 ,  
4 : 5  
**W i l l i a m** 1 : 15 ,  
2 : 3 , 3 : 6  
**w i t h i n** 7 : 9  
**W I T N E S S** 7 : 14  
**w r i t e** 4 : 11

**www.lipower.org** 3 : 12

**< Y >**  
**Y o r k** 4 : 17 ,  
7 : 3 , 7 : 5 ,  
7 : 10



June 5, 2026

VIA ELECTRONIC FILING  
Board of Trustees  
Long Island Power Authority  
333 Earle Ovington Boulevard  
Uniondale, NY, 11553

Dear Chair and Members of the Board,

Please find attached comments from the New York Solar Energy Industries Association (NYSEIA) on LIPA's proposed modifications to the Small Generator Interconnection Procedures tariff.

Thank you for the opportunity to provide input.

Respectfully submitted,



Jonathan Cohen  
Policy Director  
New York Solar Energy Industries Association  
(631) 897-4189 | jonathan@nyseia.org



## **Comments of New York Solar Energy Industries Association in response to the Long Island Power Authority's Proposed Modifications to the Tariff for Electric Service**

**June 5, 2026**

### **Introduction**

New York Solar Energy Industries Association (NYSEIA) appreciates the opportunity to comment on Long Island Power Authority's proposed modifications to its Small Generator Interconnection Procedures (SGIP) tariff, which are intended to be effective on July 1, 2026.

LIPA's proposed modifications to interconnection procedures for Distributed Generators (DG) and Battery Energy Storage Systems (BESS) under ten (10) megawatts connecting to LIPA's distribution system seek to: 1) better align the LIPA's interconnection procedures with the New York State Standardized Interconnection Requirements (NY-SIR)<sup>1</sup>; 2) allow for changes to interconnection timelines to accommodate tax-credit eligible projects; and 3) introduce a pilot program to assist public-sector customers with the Supervisory Control and Data Acquisition (SCADA) interconnection process for commercial DG and BESS projects above 500 kWac.

NYSEIA strongly supports these objectives, and appreciates LIPA's thoughtful implementation of these interconnection improvements. Successful implementation will result in: 1) a more standardized statewide process, with more appropriate cost-sharing deposit deadlines and more granular energy storage study schedules; 2) more clean energy projects moving forward with federal support as solar and storage companies navigate new near-term federal tax credit commence construction and placed-in-service deadlines; and 3) streamline SCADA implementation for public-sector facilities.

Effectively implementing these reforms will support progress toward New York's clean energy and affordability goals, whereas inaction or ineffective implementation could have significant negative impacts on customers and contractors alike, while impeding progress toward state policy goals.

### **SGIP Modifications to Qualifying Upgrade Payment Deadlines**

NYSEIA strongly supports LIPA's proposed modifications to the SGIP to move Qualifying Upgrade payment deadlines under the Cost Sharing framework from the initial 30% deposit date to the final deposit date. This modification aligns with changes proposed jointly by NYSEIA and the Joint Utilities through the Interconnection Policy Working Group that were adopted in 2025<sup>2</sup>. The purpose of this change was to better align the non-refundable deposit deadline in the interconnection process with New York's lengthy permitting timelines, ensuring that solar and energy storage developers have adequate time to engage with local AHJs and to de-risk projects from a zoning perspective prior to making non-refundable deposits under the Cost Sharing framework.

---

<sup>1</sup> New York State Public Service Commission, *Standardized Interconnection Requirements and Application Process for New Distributed Generators and Energy Storage Systems ≤ 5 MW, as modified by the Commission from time to time*

<sup>2</sup> New York State Public Service Commission, *Order Modifying Standardized Interconnection Requirements*, issued June 23, 2025, Case 24-E-0621

## **SGIP Modifications to Consider Energy Storage Operations/Scheduling in Study Process**

NYSEIA also strongly supports the adoption of rules for Energy Storage Scheduling (Appendix K) on Long Island. LIPA's tariff modification aligns closely with changes proposed by NYSEIA and the Joint Utilities through the Interconnection Technical Working Group that were adopted by the Commission last year. The purpose of adding Appendix K to the SGIP is to enable BESS developers to propose charging and discharging schedules for proposed BESSs so the utility can study the projects more effectively, resulting in fewer expensive distribution upgrades and faster/lower-cost BESS deployment. While LIPA's community-scale BESS market is still nascent, LIPA is making significant strides to enable a market for community-scale BESS, with an emphasis on high-value Locational System Relief Value (LSRV) zones. NYSEIA appreciates LIPA's continued efforts to enable smart, targeted energy storage deployment on Long Island, which promises to save ratepayers money by suppressing wholesale energy prices during times of peak demand and deferring the need for expensive transmission and distribution system expansion, all while reducing air pollution on Long Island. The improvement to the interconnection study process enabled through Appendix K complements the Authority's ongoing efforts to improve rate design.

## **Prioritizing ITC-Eligible Projects in the Interconnection Queue**

In January 2026, the Commission issued an Order Regarding Queue Management<sup>3</sup> with the stated intent of maximizing New York's ability to capture federal ITCs. The January Order did not simply direct New York's Joint Utilities to prioritize ITC-eligible projects; instead, it created a separate, priority-queue that partially replaced the New York SIR, with the goal of providing utilities and distributed energy resource (DER) developers with greater timeline certainty. Over the last several months, the Joint Utilities, DPS, and industry have been working to interpret and implement the directives in the January Order. While the Commission's Order was well-intentioned, it created significant new complexity, and some unintended consequences. In practice, developers are not looking for a perfectly engineered framework—they are just looking for greater timeline certainty, and additional support from the interconnecting utility to meet their placed-in-service deadlines.

Against that backdrop, NYSEIA believes LIPA has taken a constructive approach. LIPA's proposal avoids layering a rigid, highly prescriptive framework on top of the SGIP, and instead maintains the existing interconnection process while directing PSEG Long Island to prioritize ITC-eligible projects. NYSEIA supports LIPA's decision to take a different approach to queue management than the framework recently adopted on a statewide basis. At the same time, there is an opportunity to build on this foundation in a targeted way by incorporating straightforward tools that provide developers with greater visibility into timelines. These comments focus on how to do that while preserving the flexibility of LIPA's approach and avoiding unnecessary complexity.

The DPS queue prioritization proposal that was adopted by the Commission was developed with the goal of improving timeline certainty and maximizing the number of projects that can meet federal tax credit deadlines. NYSEIA strongly supported those objectives. However, it has become clear that the approach introduces a level of structural complexity that is difficult to operationalize and, in practice, has created meaningful disruption in the market. In particular, the use of formal priority groupings, combined with new deadlines and cohort-based scheduling requirements, has introduced a degree of confusion and uncertainty that developers are actively navigating today. NYSEIA is already seeing projects delayed, financing timelines disrupted, and broader uncertainty in the market as participants attempt to understand how these new structures will be applied and how projects outside defined priority groups will be treated. The January Order has also created loopholes that could result in future queue congestion; an outcome we hope to mitigate. These outcomes are consistent with concerns

---

<sup>3</sup> New York State Public Service Commission, *Order On Interconnection Queue Management*, issued January 23, 2026, Case 24-E-0621

NYSEIA raised earlier in the proceeding<sup>4</sup> that rigid prioritization frameworks can inadvertently introduce new risks, even where the underlying intent is to accelerate development.

In light of these challenges, LIPA's proposal represents a smart, no-regrets approach. By avoiding rigid project groupings and prescriptive scheduling constructs, LIPA has preserved the flexibility needed to manage the queue based on actual project conditions while preserving the integrity of the SGIP. This approach reduces the risk of inadvertently delaying viable projects and allows the utility to focus on advancing projects that are ready to proceed.

NYSEIA also notes that, to the extent LIPA retains discretion to prioritize certain projects, it will be important to ensure that this flexibility does not result in extended delays for other projects that are ready to proceed. Even without formal priority group structures, the effects of prioritization can still create uncertainty if not implemented transparently. Maintaining clarity around how scheduling decisions are made will be important to preserving confidence in the interconnection process.

At the same time, the experience of the past several months reinforces that flexibility alone is not sufficient. The central issue that queue management reforms were intended to address—the lack of timeline certainty—remains critical. Developers continue to face significant challenges in planning around interconnection timelines, particularly in the context of fixed federal tax credit deadlines.

For that reason, strengthening LIPA's proposal does not require replicating the structural elements of the statewide framework, but instead incorporating targeted tools that provide developers with clearer visibility into scheduling.

**NYSEIA recommends that LIPA adopt an optional process through which a developer can request a target in-service date, and the utility can respond with a corresponding schedule for completing interconnection work. As part of that response, the utility should also provide a defined timeline for when interconnection funds must be released in order to achieve the target in-service date.**

NYSEIA also recommends that any requirements related to demonstrating eligibility for tax credit prioritization be applied with appropriate flexibility. In the rest of New York, interconnection processes do not require developers to provide formal evidence of tax credit eligibility as a condition of moving forward, reflecting the reality that project development pathways vary and certainty often emerges over time. Developers may reasonably anticipate meeting federal tax credit requirements without having definitive documentation at early stages. Requiring strict documentation upfront could inadvertently exclude otherwise viable projects or delay their progression through the queue. Providing developers with the ability to indicate expected in-service timelines or anticipated qualification, rather than requiring definitive evidence, is most appropriate based on how projects are developed in practice.

This approach is consistent with NYSEIA's prior recommendations, which emphasize that providing target in-service dates and associated deposit timing is one of the most effective ways to improve timeline certainty without introducing additional structural complexity or new forms of project risk.

Importantly, this type of developer-driven scheduling reflects how interconnection progresses in practice. The most meaningful inflection point is when a project is ready to move into construction and the developer is prepared to fund the necessary work. Providing a clear, utility-supported schedule at that point creates alignment, improves accountability, and allows both parties to plan effectively without the need for broader queue restructuring.

---

<sup>4</sup> *Comments of the Solar + Storage Parties re: Department of Public Service Staff Proposal for Managing DER Project Construction Version 2*, Filed November 18, 2025, Case 24-E-0621

NYSEIA also emphasizes that any enhancements to LIPA's proposal should remain grounded in simplicity and practicality. The experience to date demonstrates that efforts to comprehensively restructure the queue can introduce unintended consequences that slow down, rather than accelerate, project deployment. The more effective path is to provide clear, actionable information to projects that are ready to move forward while preserving the flexibility to adapt to changing conditions. This approach—focused on clarity, flexibility, and execution—is more likely to move projects forward in practice and deliver the results that these policies are intended to achieve.

### **Advancing a More Practical Approach to SCADA Implementation**

NYSEIA appreciates LIPA taking action to improve SCADA implementation for certain commercial projects above 500 kWac.

As LIPA is well aware, the existing SCADA installation process on Long Island has been a significant and persistent barrier to the timely interconnection of larger distributed energy projects. Unlike other utilities in New York, where SCADA is typically installed, owned, and managed by the utility as part of the interconnection upgrade scope, on Long Island this responsibility was shifted to individual developers. In concept, NYSEIA supports giving DER developers more control over implementation; however, this has proven impractical for SCADA, which is essentially utility infrastructure whose sole purpose is to securely communicate with LIPA/PSEG Long Island's operation and control centers – a significant multi-party configuration and coordination challenge.

In practice, LIPA's fragmented approach to implementing SCADA for DERs has proven extremely difficult to execute. Developers have been required to establish separate telecommunications accounts, procure specialized equipment, work through third-party vendors, and navigate a multi-step integration process involving PSEG Long Island, multiple disparate divisions at Verizon, and their external contractors. This has introduced layers of coordination that are both outside the typical experience of DER developers and beyond their control. As NYSEIA documented previously, LIPA's existing SCADA implementation process regularly results in extensive delays, in some cases exceeding a year, including for projects that were otherwise fully constructed and ready to operate. The challenges created by LIPA's current SCADA implementation process are not just limited to the construction process; misalignment of responsibility for SCADA operations and maintenance, and the system owner's lack of visibility into the infrastructure they are asked to maintain, has created entirely avoidable outages for fully installed solar PV systems.

This issue has been one of the most consequential interconnection challenges facing projects on Long Island, creating frustration for developers and customers, delaying clean energy deployment, and undermining the efficiency of the interconnection process. It is also an issue that NYSEIA and its members have been working with LIPA and PSEG Long Island to address for several years.

Against that backdrop, NYSEIA commends LIPA for recognizing the magnitude of this problem and for working collaboratively with PSEG Long Island and industry stakeholders to advance a more centralized model.

The proposed SCADA pilot moves in the right direction by shifting responsibility for key elements of the communications infrastructure, including telecommunications circuits and network integration, to the utility for a subset of public-sector projects. This is an important and meaningful step that has the potential to significantly reduce delays and improve the interconnection process.

NYSEIA recommends that LIPA clarify that this transition to a utility-managed model applies comprehensively to all SCADA-related equipment and systems at the project site. As currently drafted, the tariff language appears to retain customer responsibility for procuring, installing, and maintaining certain supervisory equipment at the project site. If this includes critical communications and control

equipment necessary for integration with the utility's network, maintaining this division of responsibility risks perpetuating many of the same challenges that the pilot is intended to address.

The experience of NYSEIA's members is clear: delays have not been driven solely by telecommunications circuits, but by the need for developers to procure and configure specialized equipment, manage vendor relationships, and coordinate secure integration with the utility's systems. A fully centralized approach, in which the utility is responsible for procuring, installing, configuring, and maintaining all SCADA-related equipment — with all costs paid for by the interconnection customer — would be more consistent with practices across the rest of New York and more likely to deliver reliable, timely outcomes.

### **SCADA Billing: Aligning With Statewide Norms**

In addition, NYSEIA recommends that LIPA carefully consider the billing structure associated with SCADA implementation. As currently proposed, the tariff contemplates ongoing monthly charges for telecommunications services and equipment associated with SCADA. While NYSEIA understands the underlying cost drivers, this approach differs from the standard practice used by many utilities across the rest of New York, where the estimated lifetime SCADA-related costs are typically recovered upfront as part of interconnection deposits.

From a project development perspective, an upfront cost structure provides significantly greater certainty and reduces administrative complexity over the life of the project. Developers are already accustomed to incorporating interconnection upgrade costs into project financing models, and a one-time payment aligns with how other distribution upgrades are treated. By contrast, ongoing monthly charges introduce a new category of long-term operational cost and administrative burden that must be tracked, managed, and accounted for over time, creating additional complexity for both developers and the utility.

An upfront cost structure also better aligns with the goal of streamlining the interconnection process. One of the key lessons from existing SCADA challenges on Long Island is that added layers of coordination and ongoing management requirements can contribute meaningfully to delays. Consolidating SCADA-related costs into a single, clearly defined upfront payment would reduce those frictions and provide a more predictable and efficient pathway for project completion. If LIPA is amenable to this approach, the following language could be considered as an alternative to the Billing section of Exhibit A1:

*In CESIR cost estimates for participating projects, LIPA will include the estimated cost to install, configure, maintain and communicate with the SCADA installation for the duration of the project life. The actual cost of installation and configuration, as well as an upfront payment for the net present value of the estimated cost of maintenance and communication, shall be paid by the customer to the utility as part of the standard SGIP deposit and reconciliation process. Following reconciliation, the interconnection customer shall have no ongoing financial obligation relating to the SCADA installation, which is fundamentally part of the utility's infrastructure. The interconnection customer must provide timely access to utility personnel and reasonably cooperate with LIPA and its contractors to maintain SCADA communications for the life of the system.*

From NYSEIA's perspective, this pilot represents an important opportunity to resolve one of the most significant sources of delay in the Long Island interconnection process. We strongly support its direction and look forward to working with LIPA and PSEG Long Island to ensure it is implemented in a way that fully addresses the challenges identified by industry. Our hope is that it can quickly be expanded from the subset of public-sector customers to all DERs for which SCADA is required.

## Conclusion

NYSEIA strongly supports LIPA's proposed modifications to the SGIP, and encourages the Board to adopt them quickly with the minor modifications described in these comments. At a moment when New York is under real pressure to deliver projects quickly and capture the benefits of available federal incentives, it's critical for New York to streamline interconnection and prioritize ITC-eligible projects, with an eye toward simplicity and practicality. That means giving developers enough certainty to make investment decisions, while providing utilities with flexibility to prioritize ITC-eligible projects.

LIPA's proposal reflects a clear understanding of that balance. By stepping back from the more rigid elements of the statewide framework and focusing on a simpler, more flexible approach, LIPA has put forward a model that is more adaptable to real-world conditions and better positioned to move projects forward. NYSEIA appreciates LIPA's leadership and we look forward to continuing to work collaboratively with LIPA and PSEG Long Island to drive continued progress deploying affordable clean energy on Long Island.

## For questions, comments, or follow up, please contact:

**Jonathan Cohen, Policy Director**

jonathan@nyseia.org | (631) 897-4189

## NYSEIA Proposed Redline to Exhibit A1 (SCADA PILOT)

### EXHIBIT A1 ADDITIONAL INTERCONNECTION REQUIREMENTS

1. For Governmental Agencies, the requirement for Supervisory Control and Data Acquisition (SCADA) shall be as follows:

Supervisory Control and Data Acquisition (SCADA):

A Unit with aggregate rating of 500 KVA or greater shall require a SCADA (Supervisory Control and Data Acquisition) system Remote Terminal Unit (RTU). Interconnection Customer's RTU is required to use DNP 3.0 Serial Protocol. The supervisory equipment located at the Unit Premises shall be procured, installed, configured, owned, and maintained by LIPA, and paid for by the Interconnection Customer. ~~A DNP points list, otherwise known as "function tabs," will be provided by PSEG Long Island to Interconnection Customer to configure Interconnection Customer's RTU.~~ The supervisory equipment at the LIPA Operations Center will be procured, installed, maintained by LIPA and paid for by the Interconnection Customer. A dedicated leased TLS communication circuit AND/OR a wireless 4G backup is required for communication between the Interconnection Customer's RTU and LIPA's SCADA system (at LIPA's Operations Center). If necessary, ~~the~~ lease line(s) shall be ordered by LIPA and owned by LIPA. Installation, maintenance and subsequent monthly charges for lease line and/or wireless lines shall be charged by LIPA to the Interconnection Customer. Interconnection Customer would be responsible for all future costs related to upgrades and/or modification to TLS or wireless communication circuit.