

Proposal Concerning Modifications to LIPA's Tariff for Electric Service

Requested Action

Long Island Power Authority ("LIPA") staff ("Staff") proposes to modify LIPA's Tariff for Electric Service (the "Tariff"), effective January 1, 2027, to: (1) transition the mass market Bring Your Own Battery ("BYOB") Program from the Commercial System Relief Program ("CSRP") / Distribution Load Relief Program ("DLRP") to the Direct Load Control ("DLC") Program,¹ creating a unified mass market direct load control framework for thermostats and battery storage, and (2) eliminate duplicative performance-based compensation for traditional Net Energy Metering ("NEM") customers² to align with the New York State Public Service Commission's ("PSC" or the "Commission") Order Directing Dynamic Load Management Program Changes issued on March 15, 2024.³

Background:

LIPA's three Dynamic Load Management ("DLM") programs are designed to improve electric system reliability, reduce peak demand, and compensate customers for making flexible load and distributed energy resources ("DER") available during periods of system need. Since LIPA first adopted the DLM Programs in 2014, they have evolved to support changing electric system conditions, advances in DER technologies, and New York State energy policy.

In Case 14-E-0423, *Proceeding on Motion of the Commission to Develop Dynamic Load Management Programs*, the Commission established the statewide framework for utility demand response programs, including the CSRP, DLRP, and the DLC program. The Commission has subsequently issued numerous orders in this proceeding directing utilities under its jurisdiction to modernize program design, improve operational efficiency, enhance customer participation, and ensure that compensation reflects the value of services provided to the electric system. These orders recognize demand response as an increasingly important non-wires resource capable of supporting both bulk system reliability and localized distribution system needs.

In Case 18-E-0130, *In the Matter of Energy Storage Deployment Program*, the PSC established policies to accelerate the deployment of battery energy storage throughout New York and to integrate storage resources into utility operations and demand response programs. As mass market battery adoption has expanded, the Commission has increasingly recognized that behind-the-meter battery systems differ operationally from traditional curtailable load resources because they can be automatically dispatched through distributed energy resource management systems ("DERMS") and virtual power plant ("VPP") platforms and supported telemetry for operational and monitoring and validation purposes. PSC policy has therefore encouraged utilities to develop technology-specific program designs that appropriately reflect the operational capabilities of mass market battery storage while supporting broader State clean energy, reliability, and electrification objectives.

¹ LIPA's three DLM programs are: Commercial System Relief Program ("CSRP"), Distribution Load Relief Program ("DLRP"), and Direct Load Control ("DLC") Program.

² Customers compensated under Section I.C.15 of the Tariff, excluding customers compensated by Value Stack (Section I.C.18).

³ Case 14-E-0423 – Proceeding on Motion of the Commission to Develop Dynamic Load Management Programs, Order Directing Dynamic Load Management Program Changes at 16 (Mar. 15, 2024) ("2024 DLM Order").

LIPA has periodically amended the Tariff so that its DLM programs remain consistent with statewide policy while addressing the operational needs of the Long Island electric system. Most recently, as part of its 2025 Utility 2.0 review, Department of Public Service (“DPS”) Staff recommended additional enhancements to LIPA’s DLM programs to simplify program administration, better align mass market battery participation with DLC programs, and eliminate duplicate compensation where customers receive multiple incentives for providing the same grid service.⁴ These recommendations reflect the continued evolution of New York’s demand response framework toward more streamlined, technology-specific program designs.

Proposal:

This proposal recommends two modifications to the Tariff:

1 – Relocate the Mass Market BYOB Program to DLC Program

The proposal relocates the mass market BYOB Program from the CSRP/DLRP Program to the DLC Program. This change recognizes mass market battery storage as a technology-specific direct load control resource where LIPA would directly control the resource instead of the customer taking action to reduce load under a demand response program.

The BYOB Program would operate alongside the existing Smart Savers thermostat program under the DLC Program while utilizing the same DERMS infrastructure currently supporting mass market battery participation. During load relief events, dispatch instructions would be transmitted electronically through secure application programming interfaces (“APIs”), allowing participating battery systems to discharge without requiring customer action, while preserving the customer’s ability to opt-out of individual events.

During LIPA-declared events, participating battery systems will discharge energy or otherwise reduce customer load in accordance with operating parameters established by LIPA and the participating DERMS provider. Customers will retain the ability to opt-out of individual events consistent with program requirements, however opt-outs will negatively affect the participation payments a customer receives.

Participation in the BYOB Program will be limited to Mass Market Customers⁵ who own or lease qualified behind-the-meter battery storage equipment capable of responding to LIPA dispatch instructions through an approved DERMS platform. Eligible customers with battery storage who decide not to participate in the relocated BYOB program under DLC will remain eligible to participate in existing CSRP and DLRP consistent with current Tariff provisions.

Customers may simultaneously participate in LIPA’s Smart Savers thermostat program and the BYOB Program because each program controls separate customer resources and provides distinct demand reduction capabilities.

2 - Restrict Duplicative Compensation for Net Energy Metering Customers

⁴ *Matter 14-01299 – In the Matter of PSEG-LI Utility 2.0 Long Range Plan*, Department of Public Service Interoffice Memorandum at 21 (Nov. 20, 2025) (“2025 Utility 2.0 DPS Recommendation Letter”).

⁵ The Tariff defines “Mass Market Customer” as “Residential or Small Commercial Service Classifications that are not billed for demand.” LIPA Tariff Leaf No. 18.

The proposal would revise the Tariff to prohibit customers receiving compensation under LIPA's traditional NEM program from also receiving the Performance Payment component of CSRP/DLRP compensation for the same DER. This modification, which was recommended by DPS Staff,⁶ is consistent with the 2024 DLM Order.⁷

Under this proposal:

- NEM customers would remain eligible to enroll in the applicable load relief program.
- Eligible customers would continue to receive Reservation Payments, where applicable.
- NEM customers would not receive Performance Payments associated with dispatched events because those customers are already compensated through the value provided by the NEM program.
- This change is intended to prevent duplicate compensation for the same resource while preserving customers' ability to contribute to system reliability during peak demand events.
- Customers compensated under Value Stack would remain eligible for both Performance Payments and Reservation Payments.

The proposed Tariff amendments simplify LIPA's DLM portfolio by aligning each program with its intended customer segment and operational purpose. Mass market DERs, including battery storage, will participate in the DLC program using automated dispatch and standardized incentives, while the CSRP/DLRP will continue to support demand response participation across eligible customer classes using baseline-based measurement methodologies, while mass market battery resources will be served through the DLC framework. This structure is consistent with statewide policy and improves program administration, customer understanding and avoidance of duplicative incentive payments.

Financial Impacts:

The proposed Tariff revisions are expected to be budget neutral in the near term. Implementation costs will primarily consist of participant incentives, DERMS administration, program implementation, and measurement and verification activities. These costs will continue to be recovered through existing DLM program funding, subject to approved program budgets.

The proposal does not establish new incentive categories or expand program eligibility beyond the transition of mass market battery storage from the CSRP/DLRP to the DLC Program. Rather, it reallocates existing BYOB participation into the program that most appropriately reflects its operational characteristic and dispatch methodology.

Over time, the proposed revisions are expected to improve program administration, reduce administrative complexity associated with maintaining mass market battery resources within multiple demand response programs, eliminate duplicative performance-based compensation for NEM customers, and increase utilization of DERs to support system reliability and peak demand reduction.

⁶ 2025 Utility 2.0 DPS Recommendation Letter at 21.

⁷ 2024 DLM Order at 16.

Affected Tariff Leaves: 16, 19, 327-329B, 332, 333, 334, 339, 343, 344, 346 and 350

Affected Statements: Statement of Direct Load Control Program Payments

Summary of Proposed Change:

LIPA Staff is proposing to amend the Tariff to align with statewide policy by: (1) transitioning the mass market BYOB Program from the CSRP/DLRP programs to the DLC program, creating a unified mass market direct load control framework for thermostats and battery storage, and (2) eliminating duplicative performance-based compensation for traditional NEM customers while preserving customer participation and maintaining consistency with statewide demand response policy.

I. General Information (continued):**B. Abbreviations and Definitions (continued):**

Demand Customer: A Customer who is billed for Demand charges.

Demand Meter: The device that records the maximum amount of power used by the Customer over a 15-minute interval during a specific period, such as a month.

Department: The New York State Department of Public Service.

Deposit: A sum of money given as security for payment of service.

Distribution Facilities: Facilities used to distribute electric energy to consumers, including supply lines, distribution lines, service laterals, and accessory equipment.

Distribution Line(s): A system of poles, wires, ducts, conduits, and additional equipment used for the shared distribution of electricity to Customers.

E

Easement: (See *Right-of-Way*)

Eligible Net Metering Technology/Technologies: The list of eligible technologies is: Solar Electric Generating Equipment, Wind Electric Generating Equipment, Micro-Hydroelectric Generating Equipment, Micro-Combined Heat and Power (CHP) Generating Equipment, Fuel Cell Electric Generating Equipment, Farm Waste Electric Generating Equipment, Stand-Alone Battery Energy Storage Equipment~~System~~, Paired Battery Energy Storage System, Regenerative Braking, Vehicle-to-Grid, or other generating equipment identified as a Tier 1 technology as defined in Appendix A of the CES Order of the New York Public Service Commission issued August 1, 2016 in Cases 15-E-0302 and 16-E-0270. Regenerative braking, vehicle to grid, and additional Tier 1 technologies identified in Appendix A of the CES Order but not specifically defined in the Tariff, and any other technologies not defined by PSL §66-p as renewable energy systems are required to take compensation based on the Value Stack.

Energy: Energy is electric power, used or supplied over time, and measured in kWh.

Existing Overhead Areas: Areas in which electric distribution facilities are constructed overhead, and there are no requirements to construct facilities underground.

External Time-Varying Rate Codes (ETV Rate Codes): Time-varying rate codes that are processed using a third-party billing service provider, which are Rate Codes 190, 191, 192, 193, 194, 195, 292, 294, E1295, E2295, E3295 and E4295.

F

Farm Waste Electric Generating Equipment: Equipment that generates electric energy from biogas produced by anaerobic digestion of agricultural wastes, such as livestock manure, farming wastes and food processing wastes with a rated capacity of not more than five thousand (5,000) kilowatts that is manufactured, installed and operated by Customer-generator in accordance with applicable government and industry standards, connected to the electric system and operated in conjunction with the Authority's transmission and distribution facilities, operated in compliance with the Authority's standards and requirements established therefor, fueled at a minimum of ninety (90) percent on an annual basis by biogas produced from the anaerobic digestion of agricultural waste such as livestock manure materials, crop residues, and food processing waste, and fueled by biogas generated by anaerobic digestion with at least fifty (50) percent by weight of its feed stock being livestock manure on an annual basis. As of October 17, 2019, all new projects with Farm Waste Electric Generating Equipment are not considered a renewable energy system as defined by PSL §66-p.

I. General Information (continued):**B. Abbreviations and Definitions (continued):**

Net Financing Cost: The weighted average cost of debt for the Authority, including all costs of issuance of the debt.

Net Metering Customer: A customer that sends excess power back to the grid and is compensated by offsetting future charges for this exported energy.

New York Independent System Operator (NYISO): A not-for-profit corporation established to provide and maintain open access transmission to the power system in New York State, provide for centralized commitment and dispatch of the generation system in New York State, and provide other services.

New York Power Authority (NYPA): a New York State Authority responsible for the generation, transmission and sale of electricity to wholesale customers pursuant to the Public Authorities Law.

Noncoincidental Demand: (See Demand)

Non-Core Customer: (See *Customer - Non-Core Customer*)

Non-Core Service: Service to Non-Core Customers.

Nonresidential Applicant: (See *Customer - Nonresidential Customer*)

Non-Residing Applicant: (See *Customer - Non-Residing Customer*)

O

Ohm: The unit of measurement of electrical resistance.

Operations Services Agreement: A contractual agreement (as may be amended, modified, or supplemented from time to time) between PSEG Long Island and the Authority, under which PSEG Long Island operates, maintains, and manages the Authority's transmission and distribution system.

P

Payment Date: The Authority considers a payment to be made on the date the Authority or one of its authorized agents receives the payment.

Payments In Lieu of Taxes (PILOTs): Payments that the Authority makes to other governmental authorities in replacement of the taxes which were previously collected on utility revenues, assets or operations.

Performance Payment: An advance payment made by a Non-Residing Applicant for service construction for multiple occupancy buildings in an underground-designated area. The payment guarantees the Applicant's performance for five (5) years.

Peak Power or Peak Demand: See *Power*.

Power (Electric): Amount of electrical energy produced or consumed, measured over a specific time period in kilowatts (kW).

1. **Apparent Power** includes both Real and Reactive Power and is the product of Volts and Amperes in a circuit. Apparent power is expressed in kilovoltamperes (kVA).
2. **Instantaneous Power** is power at an instant in time.

XIII. Dynamic Load Management

A. Direct Load Control Program

1. Purpose and Applicability:

The Direct Load Control ("DLC") Program allows the Authority to remotely control the Participating Customer's Controllable Device to reduce the Customer's load during an Event. The program utilizes third-party Controllable Devices Providers to identify Participants and ~~install and~~ manage the Controllable Devices that meet the Authority's specifications for communications.

2. Eligibility:

a) For Controllable Central Air-Conditioners devices:

- (1) Participation is applicable to Customers served at Primary and Secondary voltage in the Service Classifications listed below in all locations within the Service Area, except for those described in the Statement of Direct Load Control Program Payments

Service Classification No. 1 (Rate Codes 180, 194, 195, 580)

Service Classification No. 1-VTOU (Rate Codes 190, 191, 192, 193)

Service Classification No. 2 (Rate Code 280)

Service Classification No. 2-VMRP (Rate Code 292)

Service Classification No. 2-L (Rate Codes 281, 291, 283)

Service Classification No. 2L-VMRP (Rate Code 294)

Service Classification No. 2-MRP (Rate Codes 284, 285, M284, M285)

- (2) To participate, a Customer must own Authority-approved load controllable equipment and agree to enrollment through an Authority-approved Controllable Device Provider.
- (3) The Authority may, in the future, offer an alternate direct load control program through a third-party vendor to Customers in a defined geographic area. In coordination with non-wires alternatives such as these, eligibility for the DLC Program for Customers within such designated area(s) may be temporarily restricted such that only Customers who have applied to and been rejected from the alternate third-party vendor program will be eligible for enrollment within the Authority's DLC Program. Such restriction on application to the DLC Program shall cease upon the earlier of (a) the date on which the alternate program achieves the amount of peak load reduction in the designated area specified by the Manager, and (b) the exclusivity deadline specified by the Manager. A list of geographic areas in which this provision applies will be set forth in the Statement of Direct Load Control Program Payments which will be amended from time to time to reflect new and completed alternate programs.

b) For Controllable mass market battery energy storage systems:

- (1) Participation is applicable to Mass Market Customers served at Secondary voltage in the Service Classifications listed below in all locations within the Service Area, except for those described in the Statement of Direct Load Control Program Payments

Service Classification No. 1 (Rate Codes 180, 194, 195, 580)

Service Classification No. 1-VTOU (Rate Codes 190, 191, 192, 193)

Service Classification No. 2 (Rate Code 280)

Service Classification No. 2-VMRP (Rate Code 292)

- (2) To participate a Customer must own/control Eligible Battery Energy Storage System(s) and agree to enrollment through an approved Controllable Device Provider.

XIII. Dynamic Load Management**A. Direct Load Control Program (continued):****2. Eligibility (continued):**

- (3) The Eligible Battery Energy Storage System that is permanently installed, interconnected in accordance with Authority requirements, be capable of automated dispatch during Events and communicate with the Authority through an approved Controllable Device Provider.

3. Definitions:

Authority Designated Area: An electrically defined area determined by the Authority to be approaching system capacity limits during peak periods. A current list of the Authority Designated Areas will be listed on the Manager's website and payments by area are listed on the Statement of Commercial System Relief Program Payments.

Capability Period: The period during which the Authority can request Load Relief. The Capability Period will be from May 1 through September 30

Controllable Device: Technology connected to the Customer's load controllable equipment that allows the Authority to remotely control the equipment when an Event is called. For purposes of this program, Controllable Device means one or more devices as may be required to control the equipment. Each Controllable Device contains a feature that allows the Customer to override the Authority's control of the Customer's equipment. The Controllable Device must be connected to the Internet by the Customer or an approved Controllable Device Provider in a manner that ensures communications between the Authority and the Controllable Device.

Controllable Device Provider: A provider registered with the Authority to develop, maintain, and operate a communications portal that enables Internet-connected Controllable Devices to participate under this program. A list of Controllable Device Providers is available on the Manager's website.

Contracted Hours: The four-hour period during the Capability Period, during which the Customer contracts to provide Load Relief whenever the Authority designates a Planned Event or Test Event. The Load Relief Period will be identified for each Authority Designated Area on the Manager's website.

Event(s): For the full duration that the Authority activates some or all of the participating Controllable Devices including but not limited to situations when: (a) the NYISO declares an emergency in conjunction with an in-day peak hour forecast response to an operating reserve peak forecast shortage; or (b) in response to a major state of emergency as defined in Section 3.2 of the NYISO Emergency Operations Manual; or (c) at the NYISO's discretion to relieve system or zonal emergencies; or (d) the Authority determines that a NYISO or Authority peak may occur; or the Authority at its discretion identifies a need to reduce load throughout the Authority's system generally or at specific locations

XIII. Dynamic Load Management**A. Direct Load Control Program (continued):****3. Definitions (continued):**

Load Relief: The average Power (kW) ordinarily supplied by the Authority that is displaced by EBESS over all Planned Events during the Capability Period.

Load Relief Period: The hours for which the Authority requests Load Relief when it designates a Planned Event or a Test Event.

Planned Event: Planned Events will be called with at least two (2) hours in advance of the event whenever the Authority determines load reduction or battery energy storage system dispatch would provide operational, reliability, capacity, peak demand, or distribution system benefits. Planned Events will only be called during the Contracted Hours. The Authority may call an immediate event with no notice for all participants or some participants, however immediate events will not be used to calculate the participant's Average kW of Load Relief.

Eligible Battery Energy Storage Systems (EBESS): A 50 kW or less permanently installed customer-sited battery energy storage system interconnected in accordance with the Authority's interconnection requirements and capable of automatically reducing customer load or exporting electricity during an Event through an approved Controllable Device Provider. The battery system shall be internet-connected and capable of responding to the Authority dispatch instructions.

Test Event: The Authority's request for Direct Participants to provide one hour of Load Relief on not less than two (2) hours' advance notice.

4. Applications: Applications to participate under this program may be made throughout the year either electronically or in writing.

II. Dynamic Load Management**A. Direct Load Control Program (continued):****5. Payments to Participating Customers****a) For Controllable Central Air-Conditioners Devices:**

- (1) Payments to Participating Customers will be established on a Statement of Direct Load Control Payments to be updated as needed by the Authority staff. The Authority reserves the right to modify this Statement, including to establish program payments that are differentiated based on the location and demand of the controllable equipment, and to terminate payments at any time, as qualified below.
- (2) Customers enrolling in the program through a Controllable Device Provider will receive a one-time sign-up payment per Controllable Device as established on the Statement of Direct Load Control Program Payments, either by check or bill credit at the Authority's discretion, after the Authority and/or Controllable Device Provider has confirmed the Authority's ability to communicate with the Controllable Device. The one-time enrollment payment for a Controllable Device will only be paid once for the lifetime of the Controllable Device regardless of active participation by the Customer in the Direct Load Control Program or other Authority funded demand response programs.
- (3) Starting with the second Summer Period (defined hereunder as May 1 through September 30) in which the Customer participates, the Customer will be eligible for an annual incentive payment as established on the Statement of Direct Load Control Program Payments, payable by check or bill credit at the Authority's discretion, after each Summer Period in which the Authority can verify that the Customer allowed the Authority to control the Controllable Device for fifty percent (50%) or more of Events declared by the Authority during each year's Summer Period.
- (4) Failure to qualify for the annual incentive payment in one (1) year does not affect the participating Customer's eligibility to receive annual incentive payments in subsequent years.
- (5) The Authority may discontinue annual incentive payments to Customers after the fifth (5th) year of participation if the Authority determines that the program should be discontinued or significantly modified. Upon making such a determination, Customers that have participated for less than five (5) years will remain eligible to receive annual incentive payments until they have completed their fifth (5th) year of participation.

b) For Controllable Eligible Battery Energy Storage Systems:

- (1) Customers enrolling an eligible Battery Energy Storage System through an approved Controllable Device Provider shall be eligible to receive a Load Relief Payments established in the Statement of Direct Load Control Program Payments.
- (2) The amount of the Load Relief Payments will be calculated based on the Load Relief provided by the Customer as identified at the end of the Capability Period times Load Relief Payment times the number of months the Customer provided Load Relief during the Capability Period. (i.e. Average kW of Load Relief x Load Relief Payment Rate (\$) x 5 Months of Capability Period)
- (3) The Authority may verify battery performance through telemetry or other approved measurement methods.
- (4) Customers shall not receive duplicate compensation for the same load reduction.

III. Dynamic Load Management**A. Direct Load Control Program (continued):****6. Load Controllable Equipment**

The Authority reserves the right to specifically identify, or designate the criteria for identifying, the types of thermostat equipment for central air conditioning units. The Manager's website will post a list of controllable equipment, including Eligible Battery Energy Storage Systems.

7. Dual Participation in Direct Load Control Technologies

A Customer may enroll multiple eligible Controllable Devices at the same service location, including but not limited to smart thermostats, central air conditioning controls, and Eligible Battery Energy Storage Systems, provided each device satisfies the applicable program requirements. Incentive payments shall be determined separately for each eligible technology in accordance with the Statement of Direct Load Control Program Payments.

A Customer participating with both a smart thermostat and an Eligible Battery Energy Storage System may receive incentive payments for each eligible Controllable Device. However, a Customer shall not receive duplicate compensation for the same load reduction or service

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B. Commercial System Relief Program (continued): Definitions (continued):

Performance Factor: When a Planned Event or Test Event is called, is the ratio of: (i) the average hourly kW of Load Relief provided by the Direct Participant or Aggregator during the requested hours, up to the kW of contracted Load Relief to (ii) the kW of contracted Load Relief. The Performance Factor is subject to certain adjustments and limitations as described in Section XIII.B.9.e below.

Planned Event: The Authority's request, on not less than twenty-one (21) hours' advance notice, for Load Relief during the Contracted Hours. Planned Events will be called when the Authority's day-ahead forecasted load level is at least 94 percent of the forecasted summer system-wide peak. Day-ahead and summer peak forecast information for the system will be posted to the Manager's website.

Qualifying Paired Battery Energy Storage Equipment: New battery storage projects paired with Eligible Net Metering Technology and installed on the Authority's system after March 1, 2019 that have applied for and received a commitment from the Authority to lock in the current Reservation Payment price for a period of ten (10) years.

Qualifying Stand-alone Battery Energy Storage Equipment: New Stand-alone battery storage projects installed on the Authority's system after March 1, 2019 that have applied for and received a commitment from the Authority to lock in the current Reservation Payment price for a period of ten (10) years. Qualifying Stand-alone Battery Storage Equipment is not a net metering eligible technology.

Test Event: The Authority's request for Direct Participants and Aggregators to provide one hour of Load Relief on not less than twenty-one (21) hours' advance notice.

Unplanned Event: The Authority's request for Load Relief: (a) on less than twenty-one (21) hours' advance notice; or (b) for hours outside of the Contracted Hours.

3. Contracting for Commercial System Relief Program Service

This program is applicable to Direct Participants and Aggregators who agree in writing to provide Load Relief in an Authority Designated Area during all Contracted Hours in such Authority Designated Area, whenever the Authority designates a Planned Event during a Capability Period. Direct Participants and Aggregators may also agree to voluntarily provide Load Relief if an Unplanned Event is called. Authority Designated Areas will be posted on the Manager's website.

A Direct Participant must contract to provide at least 50 kW of Load Relief. An Aggregator must contract to provide at least 50 kW of Load Relief. Direct Participants or Aggregators that wish to participate on a voluntary basis may request a value of 0 kW of contracted Load Relief.

If other requirements for service under this program are met, Electric Generating Equipment may be used to participate under this program subject to the provisions set forth in Section XIII.B.7 below. The participating Direct Participant or Aggregator is responsible for ensuring that the operation of generating equipment under this Program will be in conformance with any governmental limitations on operation.

Participation under this program is permitted to participants in other programs that provide payment for capacity, such as the NYISO's Special Case Resources ("SCR") Program (or any successor Authority program to the NYISO's SCR Program).

XIII. Dynamic Load Management

A. Commercial System Relief Program (continued):

4. Applications for Participation

- a) Applications for participation under this program must be made electronically. Direct Participants and Aggregators may participate after the Authority's receipt and approval of a completed application. The Authority will accept an application by April 1 for a May 1 commencement date, or by May 1 for a June 1 commencement date. However, if the application is received by April 1 and the Authority does not bill the participant monthly using interval metering at the time of application, participation may commence on July 1 provided all conditions in Section XIII.B.6. are satisfied.
- b) The desired commencement month must be specified in the application. Applications will not be accepted after the specified date for participation during the current Capability Period. If the first of the month falls on a weekend or PSEG Long Island Holiday, applications will be accepted until the first business day thereafter.
- c) The Authority will accept applications for participation in the Voluntary Participation Option under the program at any time provided the metering and communications requirements are satisfied as specified in Section XIII.B.6.
- d) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology will receive the "5 of 10 Day Weather Adjusted CBL" as the default CBL Verification Methodology unless the application specifies that the "10 Day Weather –Adjusted CBL" or the "5 of 10 Average-Day CBL" is to be used for verification of performance. A single CBL Verification Methodology will be used for each customer to assess both energy (kWh) and demand (kW) Load Relief.
- e) Eligible Net Metering Technology will receive the "10 Day Weather-Adjusted CBL" for verification of performance.
- f) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology may apply in writing prior to the start of the Capability Period to change the CBL Verification Methodology.
- g) Participants with Qualifying Paired Battery Storage Equipment or Qualifying Stand-alone Battery Storage Equipment projects ~~shall have performance measured may choose to receive the performance measure based on the battery output directly measured through a third-party vendor or the CBL Verification Methodology~~ using the "10 Day Weather-Adjusted CBL-" Methodology.
- h) A Direct Participant or Aggregator may apply in writing, prior to the start of the Capability Period, to change the kW of pledged Load Relief, or to terminate service under this program for the upcoming Capability Period provided the request is received prior to commencing participation for that Capability Period. In order for a Direct Participant or Aggregator to increase its kW of contracted Load Relief in an Authority Designated Area, the Direct Participant's or Aggregator's most recent Performance Factor in that Authority Designated Area must be no less than one (1.00).
- i) Each application must state the kW of Load Relief that the Direct Participant or Aggregator contracts to provide for the Load Relief Period. Load Relief of an Aggregator will be measured on a portfolio basis separately for each Authority Designated Area.

5. Notification by the Authority and Required Response

- a) The Authority will notify Direct Participants and Aggregators by phone, email, or machine-readable electronic signal, or a combination thereof, in advance of the commencement of a Load Relief Period or Test Event. The Direct Participant or Aggregator will designate in writing an authorized representative and an alternate representative, and include an electronic address if applicable, to receive the notice. If an Aggregator is served under this program, only the Aggregator will be notified of the Load Relief Period or Test Event. The Aggregator is responsible for notifying all of the customers within its respective aggregation group.

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B. Commercial System Relief Program (continued):

Notification by the Authority and Required Response (continued):

- d) Participants are required to participate during all Contracted Hours for all Planned Events called by the Authority during the Capability Period, and all Test Events called by the Authority. The Test Event period will not exceed one (1) hour.

6. Metering

- a) Participation under this program requires that each participant's entire service be measured by interval metering with communications capability which will also be used by the Authority for monthly billing. All participants designated by an Aggregator must meet the metering and telecommunications requirements specified herein.
- b) If, at the time of application for service under this program, the Authority does not bill the participant monthly using interval metering, the Customer will arrange with the Authority for the furnishing and installation of interval metering with communications capability to be used for billing, at the participant's expense.
- c) For participation under this program, the metering equipment and communications service must be installed and made operational prior to the Authority's acceptance of a completed application. Participation under this program will commence the first day of the first month within the Capability Period that occurs at least thirty (30) days after both the interval metering and communications service become operational.
- d) The Authority will install interval metering with communications capability within twenty-one (21) business days. If the Authority misses the installation time frame for a participant, it will make a "Lost Reservation Payment" to the Direct Participant or Aggregator, unless the meter delay was caused by a condition such as a major outage or storm.
- e) A Lost Reservation Payment will be calculated by determining the number of months between the earliest month in which the Customer could have begun participation had the meter been installed within the required timeframe (assuming the Authority's acceptance of a completed application and receipt of payment for the meter upgrade) and the first month following the completed installation, and multiplying that number by the pledged kW and associated per-kW Reservation Payment Rate.
- ~~f) Participants with Qualifying Paired Battery Storage Equipment or Qualifying Stand-alone Battery Storage Equipment projects who choose to receive the performance measure based on the battery output directly measured through a third-party vendor must install interval metering:
 - ~~(i) measures the output of the battery storage equipment~~
 - ~~(ii) with communications capability to a qualified third-party vendor~~
 - ~~(iii)(i) within twenty one (21) business days.~~~~

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B. Commercial System Relief Program (continued): Reservation Payment (continued)

a) Adjustments to the Contract kW during the Capability Period

- 1) An Aggregator may increase its kW of pledged Load Relief during a Capability Period only if it enrolls Customers whose Aggregator either exits the program or is suspended from enrollment in the program for noncompliance with Aggregator eligibility requirements or the Company's operating procedures. In such case, the Aggregator may increase its kW of pledged Load Relief up to the amount of the transferred Customers' existing kW of pledged Load Relief.

10. Performance Payments for Load Relief

- a) Except as specified in Section XIII.B.10.d below, the Authority will make a payment to a Direct Participant or Aggregator who provides Load Relief during a Planned Event, Test Event, or Unplanned Event.
- b) The Performance payment rate may vary by location, type of event, duration of the event, number of times the Direct Participant or Aggregator is asked to provide Load Relief, and whether the Customer is participating on a voluntary basis.

(1) The Performance Payment rate is specified on the Statement of Commercial System Relief Program Payments.

(2) The Authority reserves the right to identify additional locations, equipment and establish corresponding rates for Performance Payments from time to time based on reports and recommendations from the Authority's staff which will be provided at least annually.

(3) The identification of applicable locations, equipment and corresponding rates for Reservation Payments will be provided on a Statement of Commercial System Relief Program Payments to be updated as needed by the Authority's staff in consultation with the Department of Public Service.

- c) The Performance Payment amount paid per event is equal to the Performance Payment rate per kWh multiplied by the average hourly kWh of Load Relief provided during the event multiplied by the number of event hours.

d) Performance Payments will not be made under this program if the Direct Participant or Aggregator (on behalf of its Customer) receives payment for energy during concurrent Load Relief hours under any other demand response program (e.g., NYISO's Day-Ahead Demand Reduction Program or NYISO's Special Case Resources Program) in which the Customer is enrolled. Direct Participants or Aggregators who also participate in the Distribution System Relief Program during concurrent Load Relief hours will only receive Performance Payments under this program.

~~e)~~ Performance Payments will not be made to Customers compensated under traditional Net Energy Metering provisions pursuant to Section I.C.15 of the Tariff. Customers compensated under the Value Stack (Section I.C.18) remain eligible for CSRP Performance Payments.

~~e)~~ f) If an S.C. No. 11 Customer participates in the NYISO market and receives payment for energy during concurrent Load Relief hours, Performance Payments will be made under this Program only for Load Relief in excess of the Customer's CBL, expressed in kWh.

XIII. Dynamic Load Management

C. Distribution Load Relief Program (continued): Definitions (continued)

New Participant: An Aggregator or Direct Participant that has not previously participated in a call for Load Relief under the Distribution Load Relief Program.

Performance Factor: When a Contingency Event, Immediate Event or Test Event is called, is the ratio of: (i) the average hourly kW of Load Relief provided by the Direct Participant or Aggregator during the requested hours, up to the kW of contracted Load Relief to (ii) the kW of contracted Load Relief. The Performance Factor is subject to certain adjustments and limitations as described in Section XIII.C.10.e below.

Qualifying Paired Battery Energy Storage Equipment: New battery storage projects paired with eligible generation technology and installed on the Authority's system after March 1, 2019 that have applied for and received a commitment from the Authority to lock in the current Reservation Payment price for a period of ten (10) years.

Qualifying Stand-alone Battery Energy Storage Equipment: New Stand-alone battery storage projects installed on the Authority's system after March 1, 2019 that have applied for and received a commitment from the Authority to lock in the current Reservation Payment price for a period of ten (10) years. Qualifying Stand-alone Battery Storage Equipment is not a net metering eligible technology.

Test Event: The Authority's request for Direct Participants and Aggregators to provide one (1) hour of Load Relief on not less than two (2) hours of advance notice.

3. Contracting for Distribution Load Relief Program Service

This program is applicable to Direct Participants and Aggregators who agree in writing to provide Load Relief for no less than four (4) consecutive hours in an Authority Designated Area whenever the Authority designates a Load Relief Period during the Capability Period. If Direct Participants and Aggregators provide Load Relief for no less than four (4) consecutive hours in an Authority Designated Area for seven (7) or more Load Relief Periods during a single Capability Period, the remaining Reservation Payments for that Capability Period will be increased per the amount listed on the Statement of Distribution Load Relief Program Payments. Authority Designated Areas will be posted on the Manager's website.

A Direct Participant in the Reservation Payment Option must contract to provide at least 50 kW of Load Relief. An Aggregator in the Reservation Payment Option must contract to provide at least 50 kW of Load Relief. Direct Participants or Aggregators that wish to participate on a voluntary basis may request a value of 0 kW of contracted Load Relief.

If all other requirements for service under this program are met, Electric Generating Equipment may be used to participate under this program subject to the provisions set forth in Section XIII.C.8 below. The participating Direct Participant or Aggregator is responsible for ensuring that the operation of generating equipment under this program will be in conformance with any governmental limitations on operation.

Participation under this program is permitted to participants in other programs that provide payment for capacity, such as the NYISO's Special Case Resources ("SCR") Program (or any successor Authority program to the NYISO's SCR Program).

XIII. Dynamic Load Management

C. Distribution Load Relief Program (continued):

4. Applications for Participation

- a) Applications for participation under this program must be made electronically. Direct Participants and Aggregators may participate after the Authority's receipt and approval of a completed application. The Authority will accept an application by April 1 for a May 1 commencement date or by May 1 for a June 1 commencement date. However, if the application is received by April 1 and the Authority does not bill the participant monthly using interval metering at the time of application, participation may commence on July 1 provided all conditions in Section XIII.C.7. are satisfied. Applicants with existing requisite metering and communication capabilities as specified in Section XIII.B.6. who wish to participate in the program on a voluntary basis may apply at any time.
- b) The desired commencement month must be specified in the application. Applications will not be accepted after the specified date for participation during the current Capability Period. If the first of the month falls on a weekend or PSEG Long Island Holiday, applications will be accepted until the first business day thereafter.
- c) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology, the "5 of 10 Day Weather Adjusted CBL" will be the default CBL Verification Methodology, unless the application specifies that the "10 Day Weather-Adjusted CBL" or "5 of 10 Day Average-Day CBL" is to be used for verification of performance. A single CBL Verification Methodology will be used for each customer to assess both energy (kWh) and demand (kW) Load Relief.
- d) Eligible Net Metering Technology will receive the "10 Day Weather-Adjusted CBL" for verification of performance.
- e) Participants without Qualifying Paired Battery Storage Equipment and without Eligible Net Metering Technology may apply in writing prior to the start of the Capability Period to change the CBL Verification Methodology.
- f) Participants with Qualifying Paired Battery Storage Equipment or Qualifying Stand-alone Battery Storage Equipment projects ~~shall have may choose to receive the performance measured based on the battery output directly measured through a third-party vendor or the CBL Verification Methodology~~ using the "10 Day Weather-Adjusted CBL-" Methodology.
- g) A Direct Participant or Aggregator may apply in writing prior to the start of the Capability Period, to change the kW of pledged Load Relief, or to terminate service under this Program for the upcoming Capability Period provided the request is received prior to commencing participation for that Capability Period. In order for a Direct Participant or Aggregator to increase its kW of contracted Load Relief in an Authority Designated Area, the Direct Participant's or Aggregator's most recent Performance Factor in that Authority Designated Area must be no less than one (1.00).
- h) Each application must state the kW of Load Relief that the Direct Participant or Aggregator contracts to provide for the Load Relief Period. Load Relief of an Aggregator will be measured on a portfolio basis separately for each Authority Designated Area.

C. Distribution Load Relief Program (continued):**7. Metering**

- a) Participation under this program requires that each participant's entire service be measured by interval metering with communications capability which will also be used by the Authority for monthly billing. All participants designated by an Aggregator must meet the metering and telecommunications requirements specified herein.
- b) If, at the time of application for service under this program, the Authority does not bill the participant monthly using interval metering, the Customer will arrange with the Authority for the furnishing and installation of interval metering with communications capability to be used for billing, at the participant's expense.
- c) For participation under this program, the metering equipment and communications service must be installed and made operational prior to the Authority's acceptance of a completed application. Participation under this program will commence the first day of the first month within the Capability Period that occurs at least thirty (30) days after both the interval metering and communications service become operational.
- d) The Authority will install interval metering with communications capability within twenty-one (21) business days. If the Authority misses the installation time frame for a participant, it will make a "Lost Reservation Payment" to the Direct Participant or Aggregator, unless the meter delay was caused by a condition such as a major outage or storm.
- e) A Lost Reservation Payment will be calculated by determining the number of months between the earliest month in which the Customer could have begun participation had the meter been installed within the required timeframe (assuming the Authority's acceptance of a completed application and receipt of payment for the meter upgrade) and the first month following the completed installation, and multiplying that number by the pledged kW and associated per-kW Reservation Payment Rate.
- ~~f) Participants with Qualifying Paired Battery Storage Equipment and Qualifying Stand-alone Battery Storage Equipment projects who choose to receive the performance measure based on the battery output directly measured through a third-party vendor must install interval metering that:~~
 - ~~(i) measures the output of the battery storage equipment~~
 - ~~(ii) with communications capability to a qualified third-party vendor~~
 - ~~(iii) within twenty-one (21) business days.~~

XIII. Dynamic Load Management

C. Distribution Load Relief Program (continued): Reservation Payment (continued):

f) Adjustments to the Contract kW

- (1) Aggregators will be able to increase the kW of contracted Load Relief during the current Capability Period for customer loads already enrolled in the Commercial System Relief Program through another Aggregator who is no longer allowed to participate in the program.

11. Performance Payments for Load Relief

- a) Except as specified in Section XIII.C.11.d below, the Authority will make a payment to a Direct Participant or Aggregator who provides Load Relief during a Contingency Event, Immediate Event, or Test Event.
- b) The Performance Payment rate may vary by location, type of event, duration of the event, the number of times the Direct Participant or Aggregator is asked to provide Load Relief, and whether the Customer is participating on a voluntary basis.
- (1) The Performance Payment rate is specified on the Statement of Distribution Load Relief Program Payment.
- (2) The Authority reserves the right to identify additional equipment or locations and establish corresponding rates for Performance Payments from time to time based on reports and recommendations from the Authority's staff which will be provided at least annually.
- (3) The identification of applicable equipment, or locations and corresponding rates for Reservation Payments will be provided on a Statement of Distribution Load Relief Program Payments to be updated as needed by the Authority's staff in consultation with the Department of Public Service.
- c) The Performance Payment amount paid per event is equal to the Performance Payment rate per kWh multiplied by the average hourly kWh of Load Relief provided during the event multiplied by the number of event hours.
- d) Performance Payments will not be made under this program if the Direct Participant or Aggregator (on behalf of its Customer) receives payment for energy during concurrent Load Relief hours under any other demand response program (e.g., NYISO's Day-Ahead Demand Reduction Program or NYISO's Special Case Resources Program). Direct Participants or Aggregators who also participate in the Commercial System Relief Program during concurrent Load Relief hours will not receive Performance Payments under this program.
- e) Performance Payments will not be made to Customers compensated under traditional Net Energy Metering provisions pursuant to Section I.C.15 of the Tariff. Customers compensated under the Value Stack (Section I.C.18) remain eligible for DLRP Performance Payments
- f) If an S.C. No. 11 Customer participates in the NYISO market and receives payment for energy during concurrent Load Relief hours, Performance Payments will be made under this program only for Load Relief in excess of the Customer's CBL, expressed in kWh.

Long Island Power Authority

Statement of Direct Load Control Program Payments

Applicable to Participants in the Direct Load Control Program
As set forth in the Tariff for Electric Service

Non-Battery Technologies (“Smart Savers”)	
One-Time Sign-up Payment	\$85.00
Annual Incentive Payment (applicable after the first year of participation)	\$25.00
<u>Mass Market Bring-Your-Own-Battery (“BYOB”)</u>	
<u>Load Relief Payment (per kW per Month)</u>	<u>\$10.70</u>
<u>Load Relief Payment (LSRV Zone) (per kW per Month)</u>	<u>\$16.05</u>

Payments in specifically designated areas:

The Authority reserves the right to offer different payments for load relief in specifically designated areas of the Service Territory. Designated areas will be set in coordination with Non-Wires Alternative efforts.