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Customer Choice in NY and New York REV

A presentation for California Public Officials

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Outline

- REV Objectives and Background
- REV Progress
- REV Outlook

Pre-REV

- Retail commodity choice - meh
- Centrally procured RECs by NYSERDA via long term
- Modest private PV deployment
 - Less EV deployment
- Regional Greenhouse Gas Initiative
- High system costs and high delivery+supply rates
- Aggressive utility demand response deployment in NYC
- Superstorm Sandy

The effect of superstorm Sandy

- Sandy prompted a conversation about how the whole utility sector could be better and created space for that to happen
 - Not just about preventing a repeat
- Then, strong leaders were hired by the governor to make it happen

Also, consumer protection

- The PSC at the start of REV knew that many retail energy providers conducted poor consumer practices
 - Bait and switch pricing targeted at vulnerable customers
 - Took significant (and controversial) action to eliminate this behavior

What's important to know about New York REV: The Six Objectives

- Enhanced customer knowledge and tools to support bill management
- Market animation and leverage of customer contributions
- System wide efficiency
- Fuel and resource diversity
- System reliability and resiliency
- Reduction of carbon emissions

All REV orders are meant to support all six of these objectives

What's important to know about New York REV: We want more...

- **Smart customers**
- **Customer capital and service providers backing their choices**

REV, generally...

- Get the **economic signals** right
 - Drive competition and innovation
- Task and Compensate the 6 **IOUs** to do their part
 - Eventually, with support from NYISO
 - (Municipals??? LIPA, ✓ □, NYPA, ✓ □)
- **Customers and Innovators** will do the rest
 - "private" money subs for "utility" money
 - DERs substitute for wires

Supporting REV Elements - 1

- Wires System Planning (the DSIP) ✓ □
 - New Benefit-Cost regime (SCT based) ✓ □
- System Value-based Regulated Delivery Rates ? ?
 - Including DG Compensation (“value stack”) ✓ □
- Markets ✓ □? (“platform” part of DSIP coming soon)
 - Updated Codes of Conduct ✓ □
- Demonstrations – multi-element ***in progress***
 - Multiple for each utility

Supporting REV Elements - 2

- Regulated company performance ✓
 - Part of IOU multi-year rate plans ✓
 - Enabling customer choices included ✓
- Renewable Portfolio and Zero Emission Credits ✓
 - Customer RE can count in state RPS
- Customer Choice Aggregation ✓
 - Not widely used outside NYC northern suburbs

REV: part of a broader transformation program in NY



How is it going?

- OK so far, utilities are changing
- Demonstrations indicate significant increase in range of customer choices
 - Curtailment
 - Generation
 - Storage
- And some community-based interest
 - Brooklyn virtual microgrid by LO3, a few CCAs

Utility Market Services

- Where utilities are allowed
 - Data
 - Renewables/DER in underserved markets
 - Energy efficiency
- Utilities not allowed (reserved for competitors)
 - Most renewable energy ownership
 - Utility Platform should enable competition

Energy Efficiency

- Early efforts sought to dramatically reduce the system benefits funded “resource” programs
 - NYSERDA to focus on market transformation and hard-to-reach programs
- Now, pre-existing EE funding levels supporting energy efficiency are maintained, REV-induced markets may add EE services

Wholesale Markets: Fully Valuing Distributed Energy Resources

- NYISO making an effort
 - See its DER Roadmap
 - Control of DERs remains an issue
 - PSC working to align NYISO and utilities DSIPs

Still To Come (Soon)

- Clarification of “Platform” expectations and details
 - Expectation enabling customer access to services
 - Ones we can see now
 - Ones we can envision now
 - Ones we cannot envision now
- Smart meter deployment
- Examination to eliminate market barriers to DG
- Rate design ???

About RAP

The Regulatory Assistance Project (RAP)® is an independent, non-partisan, non-governmental organization dedicated to accelerating the transition to a clean, reliable, and efficient energy future.

Learn more about our work at raponline.org



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