Customer Choice in NY and New York REV

A presentation for California Public Officials

Richard Sedano
President and CEO
The Regulatory Assistance Project (RAP)®

50 State Street, Suite 3
Montpelier, Vermont
United States

+1 802 498 0710
rsedano@raponline.org
raponline.org
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

- Reforming the Energy Vision
- New York State of Opportunity
- NY Green Bank
- The NY-Sun Initiative
- BuildSmart NY
- Regional Greenhouse Gas Initiative
- Charge 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
  - NYSEERDA 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