

## **Comments on the Distributed Energy Resources Drat Report by DNV-GL**

### **Grid Integration**

We request the NYISO to conduct a separate and thorough analysis as soon as feasible, and that the study investigate DERs' integration into the New York wholesale grid, including for planning purposes and the resulting short and long-term implications, as was done for wind integration in 2010.

### **Standby Rates**

While standby rates might impact DERs, the report (refer pp. 63) should focus on factual observations and refrain from a subjective discussion of such a complex retail regulatory tariff issue, especially as presented without the larger context in which state regulators make and approve rate decisions.

Instead of making a qualitative assessment by mentioning that "standby rates may be a deterrent to DER," we suggest noting that standby rates have the potential to impact the economics of DER development and growth depending on specific customer characteristics. We believe it would be premature and, of limited utility to both stakeholders and the NYISO, to include subjective commentary on specific components of retail rates in the report. The report should additionally note that the REV proceeding will discuss standby rates.

The report should also note that standby rates are based on statewide standby rate guidelines issued by the New York Public Service Commission proceeding, and are designed in a manner such that customers are billed appropriately and commensurate with the infrastructure costs related to their dependence on the grid.

### **Value of PV**

The chart on page 84 of the draft report cites an NREL 2012 report as its data source, which is not current for Con Edison due to an intervening rate case with a new rate structure adopted in early 2014<sup>1</sup>. Further, there could be additional factors such as duties on certain PV panels that could impact the economics. We request that the report not use a chart that reflects old data and which could potentially lead to inaccurate conclusions.

### **Emissions**

We recommend adding analysis of emissions limits more relevant to New York, particularly emissions standards that currently apply to small generators. Considering DEC and EPA emissions rules, both promulgated and yet to be finalized, the standards for small generators are typically less stringent than similar requirements for central generation. We also note that at least one report has argued that emissions limits for small generators should actually be more stringent due to lower emission velocities and stack heights.<sup>2</sup>

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<sup>1</sup> See <http://www.coned.com/documents/elecPSC10/SCs.pdf>, Last accessed August 8, 2014

<sup>2</sup> Heath G.A., Granvold, P.W., Hoats, A.S. and Nazaroff, W.W. (2005). "[Quantifying the Air Pollution Exposure Consequences of Distributed Electricity Generation](#)." Final Report to the University of California Energy Institute.