

Mass Market Rate Design Bill Impact Study

Process

- Staff required to file report by October 1, 2017
- Report to be SAPA'd for public comment, then brought to Commission for direction

Why Consider Mass Market Rate Design Changes?

- REV Track II Order – better reflect cost causation; signals for DER;
- Transition of Mass Market NEM to VDER Stack-like rate
- Other?

Purpose of Bill Impact Study

- Input to Commission decision making on mass market rate design changes; generic and case-by-case
- Determine effect of various rate design aspects on bill impacts; determine those that impact the most / least
- Other?

How should the Bill Impact analysis be performed?

- Typical Customer?
- Full bill calculations for every customer in the class; determine number of customers and corresponding \$ impact range
- All utilities? Upstate / Downstate?
- What rate classes?
- Should it include demographics?
- What sensitivities are needed?
- What statistical analysis is needed?
- What is the ideal study versus what we can do with existing data?
- Other?

What Rate Designs should be considered?

- TOU
- Demand Charges
- Commodity vs. Delivery / overlapping price signals
- VDER Stack – Prosumer Rate Option
- MHP?
- Other?

Mass Market Rate Design Bill Impact Study (con't)

How should the various rate components be determined?

- Peak / Off-Peak Ratios
- TOU periods
- Demand Charge periods
- Costs to be collected through each rate component

What data is needed under the best-case scenario?

- Individual customer AMI data
- Cost of service studies - current or do we need something more granular?
- Billing determinants

What data is available now / soon to be?

- Monthly usage
- Load research data
- AMI Pilots
- Demo Projects – NYSEG / NGRID
- Existing TOU rate customer usage data
- Data from other states / programs
- Existing studies?

Tasks and Timing

- Draft Report by September 15, 2017
- Priority bill impacts of Mass Market NEM Transition
- Mass Market Default rates
 - Define study based on learnings from pilot and demos?
 - Define studies based on learnings from other state pilots?
 - Study results in 2019?

Mass Market NEM Transition

Principles

- Simplicity?
- Value reductions behind the meter in the same manner as injections are valued?
- Other?

Rate Design Options

- Charge Value Stack components for consumption?
- Standby Rate Design?
- Demand Charge?
- Other?

Analytical Studies Needed

- Bill Impacts?
- Cost of Service?
- Other?

Data Needed

- Load research data
- Billing determinants
- Other?

Tasks and Timing

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|------------------------------------|-------------------|
| • Scope of various analysis needed | November 1, 2018? |
| • Determine Rate Design Options | January 1, 2018? |
| • Bill Impact Studies | February 1, 2018? |
| • Draft Proposal | November 1, 2018? |