

STATE OF NEW YORK
PUBLIC SERVICE COMMISSION

CASE 14-M-0101- In the Matter of Reforming the Energy Vision.

NOTICE OF TECHNICAL CONFERENCE

(Issued October 10, 2014)

TAKE NOTICE that a technical conference in the above-captioned proceeding will be held on Thursday, November 6, 2014, commencing at 9:00 a.m. and concluding at approximately 3:30 p.m. at Eisner & Lubin Auditorium, NYU Kimmel Center, 60 Washington Square South, 4th floor, New York, New York, 10012. The conference will be webcast live on the Commission's website.

Given the importance of the policy issues to be considered by the Commission in this proceeding, the purpose of the technical conference is to further educate the Commissioners on certain critical issues that were addressed in the parties' written Track One comments on policy issues and in comments on the Department of Public Service Staff's Straw Proposal. Panelists representing various sectors of the industry will be asked to address specific issues detailed below.

Program

9:00 A.M. - 9:15 A.M	Welcoming Remarks by Chair Zibelman
9:15 A.M. - 11:15 P.M.	Panel One: Facilitating the entry of Distributed Energy Resources (DER) by creating an attractive market for DER investments

In the REV construct utilities will serve customers' increasing reliability and resiliency needs in a more efficient and economic manner, including optimally utilizing the increased magnitude of Distributed Energy Resources. Customers are

procuring DER resources in increasing numbers to meet their reliability, resiliency and economic needs. These resources not only offer reliability, resiliency, and economic benefits, but public policy benefits as well. To facilitate increased penetration of DER, a better understanding is needed regarding DER investor expectations, and current barriers that need to be addressed. In this first session, panelists will discuss what market structures (e.g., ownership, control of assets, resource pricing information, revenue certainty, etc.) will ensure sufficient investment to create a robust DER market with investments that provide economic efficiencies while advancing system reliability. The discussion should include approaches to ensure both utility and private entity investments which are both innovative and cost-effective.

These preliminary questions are offered as a guide to panelists:

- 1) Market Structure - What market structure is needed to foster private merchant investment and engagement in DER? What are DER investor expectations and requirements in terms of price signals, regulatory certainty, and access to customers/markets to sell products/services? What barriers to entry need to be addressed?
- 2) Reliability Investments - If DER resources begin to serve a greater role in utilities' obligations to provide reliable, safe and efficient electric service to New Yorkers, what should the utilities' obligation be to ensure that DER investment is made? What sorts of system needs or market conditions would warrant incumbent utilities investing in DER on a regulated basis? What alternative methods are available for incumbent utilities to facilitate development of DER and investments by third parties? How can utilities' regulated compensation be structured to remove market power concerns? What control do the utilities need to have over the operation of third party DER resources to insure they are available for reliability purposes? What market power protections, if any, would be needed to ensure the DER resources offer their products and services at reasonable prices?

- 3) Economic Investments - What sorts of market conditions, if any, might warrant a role for utilities in facilitating DER investments primarily made for economic purpose? Should utilities or their unregulated affiliates be allowed to invest or co-invest in such DER resources? If so, what market power protections are needed? What data would need to be available to market participants to provide transparency, and what sorts of remedies might be available in the event of suspected market power abuses? Or should such DER investment be left solely to customers and third parties? If so, what type of regulatory incentives might encourage utilities to actively promote cost-effective investments? How should the utility take advantage of such resources for the benefit of its customers? How can markets best be structured so that economic investments reduce the need for reliability-driven projects? With respect to all of these questions, does the answer vary depending on the type of DER?

11:15 A.M. - 11:30 A.M. BREAK

11:30 A.M. - 1:00 P.M. Panel Two: What kind of system information is needed to foster a market?

The remaining portion of the program will focus on the types of information that are critical to the creation of a robust market. Panel Two will focus on system information from various perspectives, including information utilities should provide to support the market, information needed to assist vendors to enter the market, and information that vendors should provide to the utilities. The system information could include items such as a) identification of locations on the utility distribution system where DER resources would have the most value to the utility system; b) operational information in the day-ahead and real time markets on loads, supply, prices, and the value of DER resources on a granular basis; and c) location and performance of installed resources.

Preliminary questions for panelists to consider include:

- 1) What specific information is needed to encourage a DER provider to enter the market, and to help operate efficiently?
- 2) In what form should the information be provided to vendors? Should vendors be charged a fee to access the information to support all or a portion of the cost of developing the information and communications system? If so, how should that fee be established?
- 3) What obligations do utilities and private entities have to provide information to each other, and what are the limitations?

1:00 P.M. - 1:45 P.M. LUNCH

1:45 P.M. - 3:15 P.M. Panel Three: Ensuring the availability of customer information needed to foster a vigorous DER market

Robust DER markets also require reasonable access to customer-specific information. Panel Three will focus on the customer information that is needed by DER providers, how that information should be provided, and the safeguards that should be in place to address reasonable privacy concerns.

Preliminary questions for panelists to consider include:

- 1) What customer-specific information is needed to facilitate development of a vigorous DER market?
- 2) What kind and form of information and communication would attract DER customers and facilitate vendor acquisition of customers?
- 3) In what form should the information be provided to vendors and by whom? Should vendors be charged a fee to access the information to support all or a portion of the cost of developing the information and communications system? If so, how should that fee be established?
- 4) How should end-use customer privacy concerns be addressed?

- 5) What safeguards should be in place to ensure that customer-specific information in possession of DER vendors is secure?
- 6) What is the PSC's role in helping customers know what is available?

3:15 P.M. - 3:30 P.M. Closing Remarks by Commissioners

Parties may express interest in participating in one of the panels by contacting Ms. Kelly Achzet at Kelly.Achzet@dps.ny.gov or (518) 486-5285 no later than close of business on Friday October 17, 2014. Given that only a limited number of panelists will be able to participate, Department of Public Service Staff will make final selections in an effort to ensure representation from various sectors of the industry.

KATHLEEN H. BURGESS
Secretary