

Date: February 2nd, 2020

To: Jason Pause, Electric Distribution Systems
Office of Electric, Gas & Water
Department of Public Service
3 Empire State Plaza, Albany, NY 12223

From: New York Solar Energy Industries Association & ITWG Industry Group

RE: 12/18/2019 ITWG Meeting Follow-Ups - CESIR Cost Drivers & Transparency

Per the request of the DPU and JU, the Industry discussed internally exactly how they wanted the CESIR Cost data relayed to the developer community. The following is the result of those internal conversations and reflects the Industry’s latest opinion:

CESIR Cost Transparency Deliverable:

The Industry discussed a variety of options in which the CESIR data could be displayed. Below are some examples of the options discussed:

1. Average CESIR costs within predefined system ranges
2. Range of CESIR costs within predefined system ranges
3. Average CESIR costs with a defined single standard deviation (σ) [industry preferred]
4. Average CESIR costs with a defined second standard deviation (2σ)

After much discussion, the Industry decided that Option 3, an Average CESIR shown with a single-order standard deviation in either a dollar amount or a percentage of the average would provide developers with adequate certainty into their potential CESIR costs. Please see the example table below showing exactly what the Industry would like to see delivered and maintained:

System Size	Option #1 [preferred]	Option #2
50 kW - 500 kW	AVG [\$] \pm σ [\$]	AVG [\$] \pm σ [%]
500 kW - 1,000 kW	AVG [\$] \pm σ [\$]	AVG [\$] \pm σ [%]
1,000 kW - 3,000 kW	AVG [\$] \pm σ [\$]	AVG [\$] \pm σ [%]
3,000 kW - 5,000 kW	AVG [\$] \pm σ [\$]	AVG [\$] \pm σ [%]

CESIR Estimates vs. Actual Costs

One particular item that came up several times during our ITWG discussions was whether or not the developers would like to see the ‘real’ or reconciled costs associated with CESIRs in this deliverable. The Industry expressed that since our payments are contingent upon what is estimated by the utility, that it is more useful for the JU to provide the data in the aforementioned table using their CESIR Estimates that they provide to developers.

However, the Industry would like to note that although the goal of this particular exercise in cost transparency requires only estimated CESIR costs, that the reconciled or ‘final’ CESIR costs should be tracked and reported to the ITWG for review at future meetings. The Industry feels that it is crucial to ensuring that the estimates provided to developers are directly in line with actual costs. Additionally, how we determine to display these costs is possibly precedent-setting for reporting future costs, such as actual interconnection equipment, labor, et cetera.

Continued Conversations on Study Cost Transparency

The Industry would also like to note that there is still a lack of transparency in study cost for the Supplemental Screening Analysis and any Detailed Studies (e.g. grounding studies, flicker studies, TOV studies) that may be required. In an effort to add study cost transparency to the entire interconnection process, the Industry recommends that the ITWG continue this discussion for other study milestones in the interconnection process.