Customer Choice in New York 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 NYSEDA 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

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
  - NYSERDA 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