New York's Value of Distributed Energy Resource - Rate Design

Updated Frequently Asked Questions

Q. What's happening with net metering for residential and small commercial projects in New York State?

A. The Value of Distributed Energy Resources Case (VDER) at the New York Public Service Commission (PSC) is subdivided into two working groups, 1) value stack – addressing compensation for larger distributed projects and community solar installations, and 2) rate design – addressing compensation for residential and small commercial systems.

Stakeholders have now received a proposal from the New York Department of Public Service (DPS) Staff regarding proposed rate designs for new residential and commercial customers.

Q. Will all residential and smaller commercial distributed solar projects be moved to the Value Stack starting in January 2020?

A. No. Nothing in the March 2017 VDER Order establishing Phase One NEM transitions residential or commercial projects to the value stack starting in January 2020. Based on delays in the case, DPS Staff have asked the Commission Secretary to extend the availability of Phase One NEM to January 2021. Moreover, DPS has recommended the value stack be available only as ***one of multiple options*** available to this segment of customers, as opposed to being the sole or mandatory compensation scheme (see below).

Q. What's under consideration for new rate designs?

A. In the DPS rate design whitepaper, staff proposed the idea of establishing a limited suite of multiple "bridge rate" options as a gradual shift away from net energy metering while New York utilities consider technology changes necessary to implement alternate rates.

All of these options include an additional charge called a "Customer Benefit Charge" (CBC), which was proposed to recover costs associated with the state's public benefit programs (energy efficiency programs, low income programs etc.) and could no longer be offset by bill credits from solar production.

Other proposed bridge rate options including a value stack-based approach and a time of use (TOU) rate that would charge customers based on the cost to serve them throughout the day and year.

Q. How large could a Customer Benefit Charge be?

A. The main issue for solar firms is the size of this charge. The DPS has proposed a charge ranging from approximately $.69/kW-month to $1.09/kW-month. Solar stakeholders in the case have recommended that the charge only include the costs associated with the Utility Low Income program (~$0.15/kW-month). And because these costs are undefined in future years, the solar industry proposed a cap of $0.50/kW-month for the charge.

Q. When are any new rates designs likely to become effective?

A. Given the lengthy delays in this case to date – the DPS was supposed to make its recommendations to the PSC at the end of 2018. At the absolute earliest, it is unlikely any new rate designs will be approved before Q2 2020.

Q. Who are the parties in the case representing the solar industry?

A. The Clean Energy Parties are a coalition of industry, environmental, and non-governmental advocates encouraging the greater use of distributed energy resources that includes: ACE-NY, CCSA, NRDC, NYSEIA, PACE, SEIA and Vote Solar.

Q. Where can I find the filings in the case and what is the case and matter number?

A. The VDER Case number is 15-E-0751 and to date many filings have also been submitted in matter number 17-01277.

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