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June 28, 2019

BY ELECTRONIC MAIL

Hon. Kathleen H. Burgess
Secretary to the Commission
New York State Public Service Commission
Three Empire State Plaza
Albany, New York 12223-1350

Re: Case 15-E-0302: Revision to Zero Emissions Credit (ZEC) Implementation Plan

Dear Secretary Burgess:

This is to advise the Commission and stakeholders of a minor but helpful potential revision to the mechanics of the ZEC Implementation Plan (Plan) that was filed in the above-referenced proceeding by the Staff of the Department of Public Service (Staff) and NYSERDA on August 3, 2018. In summary, the New York Generation Attribute Tracking System (NYGATS) will now have access to Version 1 load data from the New York Independent System Operator (NYISO), which will significantly improve the Plan's superiority over the present system. This revised approach also addresses comments that were previously submitted by stakeholders and will result in a process that is more administratively efficient for load serving entities (LSEs) and NYSERDA.

The main objection by both Multiple Intervenors and the City of New York to the Plan¹ was the penalties that were proposed for LSEs that submitted load estimates and payments that were found to be less than 85% of their actual load and the amount properly due for each quarter.² These penalties were proposed as a mechanism to ensure that LSEs were accurate when submitting their estimated load and making payments on that basis. The origin of the potential for underpayment, and the reason that penalties were proposed, was the

¹ The City of New York and Multiple Intervenors filed comments on October 19 and 22, 2018, while acknowledging that no notice had published in the State Register.

² Case 15-E0302, Proceeding to Implement a Large-Scale Renewable Program and a Clean Energy Standard, Zero Emissions Credit (ZEC) Implementation Plan (Plan), pg. 6.

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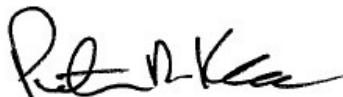
expectation that NYGATS and therefore NYSERDA would be relying on NYISO Version 2 load data, which is not available until five months after the end of any given month. Under that scenario, NYSERDA would not have timely load data to compare with LSE payments until the Version 2 data was made available; NYSERDA would instead be relying on a rolling five month “honor system.”

Based on agreement with the NYISO, NYGATS will now have access to the Version 1 load data that is used for initial settlement by the NYISO with LSEs each month. Using Version 1 data in the “pay-as-you-go” methodology as opposed to requiring LSEs to submit load data to NYSERDA will obviate the need for a quarterly review process and the need for penalties that could have resulted from underpayments discovered months after they were due. The availability of the Version 1 data will allow for near immediate audit, significantly reducing the potential for both under and overpayments by LSEs.

Other than for these changes, the process will operate as was proposed in the Plan. NYSERDA would still calculate and provide the ZEC Rate as proposed under the Plan; the LSE’s Version 1 load data will be the basis for their monthly payment to NYSERDA. While a final reconciliation will still be necessary, the financial magnitude of that reconciliation will be greatly reduced. If the Commission approves the “pay-as-you-go” methodology as outlined in the Plan, NYSERDA proposes to submit a final Plan and a revised LSE agreement reflecting the Commission’s directives.

NYSERDA requests that Secretary signal this minor update to all Parties to this proceeding such that their comments can consider this revision. If you have any questions regarding this filing, please contact me. Thank you.

Sincerely,



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