NEW YORK STATE OF OPPORTUNITY | Department of Public Service

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Three Empire State Plaza, Albany, NY 12223-1350
www.dps.ny.gov

October 7, 2015

Dear Community Leader/Elected Official:

One of the key roles in my position as Consumer Advocate for the New York State Department of Public Service (DPS) is to keep community leaders like yourself informed of Department actions and proceedings that may impact you and your constituents. Please expect to hear from me periodically as we move forward with Department programs and initiatives.

Currently, we are planning a series of public hearings to seek consumer input regarding the state Public Service Commission's **Reforming the Energy Vision (REV)** proceeding. In April 2014, the Commission instituted the proceeding to align electric utility practices and the Commission's regulation with technological advances that have created alternate ways to meet electricity demand. This energy modernization initiative will fundamentally transform the way electricity is distributed and used in New York State, creating the power grid of the future and enabling customers to reduce their energy costs.

On July 28, 2015, DPS Staff filed a "White Paper on Ratemaking and Utility Business Models." This document, known as the Ratemaking White Paper, sets forth proposed reforms for the utility business model, the ratemaking process and rate design. In addition, Staff proposes options for assessing the costs and benefits of renewable and other energy resources.

To ensure full public participation in its regulatory reform efforts, the Department will conduct a series of informational sessions and public statement hearings to seek input and comments from your community on Staff's White Paper. At the information session, Staff will provide an overview of what the REV initiative means for consumers and will be available to answer questions. The information sessions will be immediately followed by public statement hearings at which all those who wish to comment on REV

and the Staff White Paper will have an opportunity to make a statement on the record, for the Commission to consider in its deliberations.

The dates, times and locations of the **information sessions and public statement hearings** are as follows:

Date	Location	Time
Tuesday, October 27, 2015	New York University School of Law Vanderbilt Hall - Tishman Auditorium 40 Washington Square South, between MacDougal & Sullivan St New York, NY 10012	Information Session – 6 pm Public Statement Hearing – 7 pm
Wednesday, October 28, 2015	Yonkers Public Library Grinton I. Will Branch 1500 Central Park Avenue Yonkers, NY 10710	Information Session – 5 pm Public Statement Hearing – 6 pm
Wednesday, November 4, 2015	Erie Community College City Campus Auditorium 121 Ellicott Street Buffalo, NY 14203	Information Session – 6 pm Public Statement Hearing – 7 pm
Thursday, November 5, 2015	Rochester City Hall City Council Chambers 30 Church Street Rochester, NY 14614	Information Session – 6 pm Public Statement Hearing – 7 pm
Thursday, November 12, 2015	Kingston City Hall 420 Broadway Kingston, NY 12401	Information Session – 6 pm Public Statement Hearing – 7 pm
Tuesday, November 17, 2015	Binghamton City Hall 38 Hawley Street Binghamton, NY 13901	Information Session – 6 pm Public Statement Hearing – 7 pm
Wednesday, November 18, 2015	Clary Middle School Auditorium 100 Amidon Drive Syracuse, NY 13205	Information Session – 6 pm Public Statement Hearing – 7 pm

In order to speak at the hearing, it is not necessary to be present at the start of the hearing, to make an appointment in advance, or to present written material. Persons will be called to speak after completing a request card at the hearing. The public statement hearing will continue until everyone who wishes to speak has been heard or other reasonable arrangements have been made. A verbatim transcript of each hearing

will be made for inclusion in the record of the proceeding and will be posted on the Commission's website.

Disabled persons requiring special accommodations should call the Department of Public Service's Human Resources Management Office at (518) 474-2520 as soon as possible. TDD users may request a sign language interpreter by placing a call through the New York Relay Service at 711.

It is the Department's intention to facilitate and encourage active and meaningful public participation throughout the entire REV proceeding. If you cannot attend one of the hearings, I encourage you and your constituents to comment using one of the methods described in the attached factsheet. Additional information regarding the REV proceeding, including the Ratemaking White Paper, is available on the Department's website at www.dps.ny.gov under the "Reforming the Energy Vision (REV)" link at the top of the page.

Sincerely,

Michael Corso

Michael Corso
Consumer Advocate and Director
Office of Consumer Services

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About Reforming the Energy Vision

Under Governor Andrew M. Cuomo's initiative for Reforming the Energy Vision (REV), New York State will spur clean energy innovation, bring in new investments, and improve consumer choice while protecting the environment and energizing New York's economy. This pioneering approach provides New Yorkers new opportunities for energy savings, local power generation, and enhanced reliability. To achieve the State's economic development and environmental objectives, REV encompasses statewide initiatives such as the Clean Energy Fund and the $1 billion NY Green Bank to overcome market barriers and attract private capital. By empowering communities and creating jobs through programs like Community Solar NY and K-Solar for schools, the $40 million NY-Prize competition for community microgrids, and the $1 billion NY-Sun Initiative, New York is leveraging statewide resources to integrate local energy resources and meet the needs of New York communities.

As part of the REV initiative, the New York State Public Service Commission (Commission) commenced a proceeding to reform New York's energy industry and regulatory practices. REV will align electric utility practices and the Commission's regulatory model with technological advances that have created alternatives to traditional solutions to meeting electricity demand.

The REV initiative will lead to regulatory changes that promote more efficient use of energy and a deeper penetration of renewable resources such as wind and solar. The Distributed energy resources (DER) – such as distributed generation, on-site power, micro-grids, demand response, and storage – will become a primary tool in the planning and operation of the electric system. These changes will empower customers by allowing them more choice in how they manage and consume electric energy.

The design and development of the reformed electric system will take place over a period of years through the joint efforts of the energy industry, customers, government agencies and non-governmental advocates. The REV initiative was instituted as a public proceeding to gather input from all stakeholders into the decision making process.

Policy Objectives:

The Commission identified six policy objectives supporting this effort that will:

- enhance customer knowledge and tools to enable customers to manage their energy bills and provide more choice in how they use energy;
- animate the market and leverage ratepayer contributions;
- promote system-wide efficiency;
- increase fuel and resource diversity;
- enhance system reliability and resiliency; and
- reduce carbon emissions.

The Commission's Framework Order:

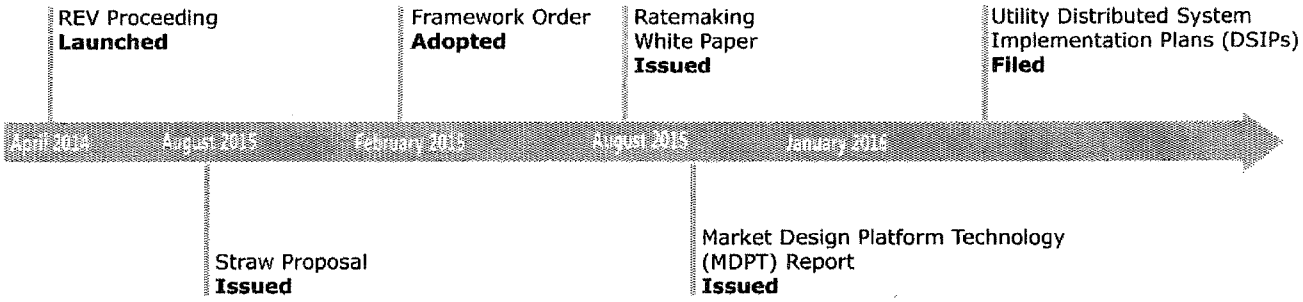
REV began with a collaborative process where working groups tackled issues related to market structure, platform technology, wholesale markets, microgrids and customer engagement.
After extensive public input, the Commission issued the *Order Adopting Regulatory Policy Framework and Implementation Plan (Framework Order)* on February 26, 2015. The Framework Order requires the integration of energy efficiency, solar, wind, and other clean energy technologies onto the electric grid in order to reduce energy bills and give customers more control over their energy use. This will be accomplished through a Distributed System Platform (DSP) operated by the utilities. The Framework Order also requires utilities to improve their ongoing energy efficiency programs and sets the stage for continued development of innovative products and services that will benefit energy consumers.

Ongoing Efforts:

Much work has been done since the Framework Order was issued and efforts are ongoing. Some of the key elements underway are as follows:

- NYS electric utilities filed demonstration projects in July designed to guide DSP functionalities and determine customer responses to programs and prices associated with future DSP markets. The demonstration projects have been reviewed by DPS Staff (Staff) and implementation efforts are underway.
- Staff and NYSERDA issued a Large Scale Renewable Options paper on June 1, 2015 for public comment. A separate proceeding was instituted on this topic and a technical conference was held on July 8, 2015.
- Staff issued a proposed Benefit Cost framework for comment on July 1, 2015.
- On July 15, 2015, the utilities filed Efficiency Transition Implementation Plans for sustaining and expanding utility energy efficiency programs.
- Staff issued a White Paper on Ratemaking and Utility Business Models for public comment on July 28, 2015. The White Paper sets forth proposals related to the ratemaking issues, including the utility business model and earnings opportunities, the ratemaking process, and rate design.
- The Market Design and Platform Technology working group issued a final report on August 18, 2015. This report is intended to provide guidance to the utilities in creating their Distributed System Implementation Plans on market design and platform technology issues.
- Utilities are expected to file Distributed System Implementation Plans in 2016.

The Reforming the Energy Vision (REV) Proceeding launched in April 2014
and will continue with implementation activities into 2016 and beyond.



Stay Connected:

As the work on REV continues, further public comment and input will be sought. Interested persons can visit the REV web page at www.dps.ny.gov to check on the status of the proceeding. All documents filed by parties, correspondence, hearing transcripts, and documents issued by the Commission are posted on the site under the case number "14-M-0101 Reforming the Energy Vision."