

# PUBLIC SERVICE COMMISSION CLARIFIES CALCULATION OF 5 MW LIMITATION RULES

*Renewable Energy Alert*  
February 13, 2019

**Background:** The NY Port Authority (Port Authority) wants to develop several solar PV electric generation facilities at John F. Kennedy International Airport. In its efforts to meet its clean energy goals, the Port Authority will pursue new renewable energy installations at its facilities, energy efficiency retrofits, and electrification of 100% of airport shuttle operations as well as 50% of light duty fleet vehicles.

Both the Port Authority and the NY Power Authority (Power Authority) intend to develop solar generation at the airport with a rated capacity of 5 MW for use as a community distributed generation (CDG) facility, along with one or more separately interconnected solar PV projects for use only to serve on-site load at the airport. CDG membership would be offered to residents living in the environmental justice (EJ) communities situated around JFK.

By way of petition, the Port Authority and the Power Authority requested clarification from the NY Public Service Commission whether the anticipated 5 MW power generation project at JFK would be eligible for compensation under the Value Stack tariff which compensates distributed energy resources based on their contributions to the energy system. The local utility, Con Edison, interpreted the relevant “tariff to require the cumulative aggregated rated capacity of all generation on a site to be 5 MW or less, even if some of that generation is separately interconnected and operated and is designed solely to serve on-site usage and not to inject energy into the utility system.”

Under prior PSC rulings, a three-factor test is employed to determine what are considered separate projects: (a) each facility would need to be separately metered and interconnected; (b) each facility would need to be operationally independent; and, (c) each facility would need to be located on a separate site. The PSC defines a “site” as a deeded parcel of land, and here the projects serving both on-site and off-site loads are on the same “site.”

**Ruling:** The PSC answered in the affirmative, ruling that “...the 5 MW eligibility limit for Value Stack compensation does not restrict a customer’s ability to receive Value Stack compensation for a 5 MW or smaller project that is injecting energy into the grid and is separately interconnected on the same site as another, non-injecting generation project serving on-site load.” The ruling leaves the three-factor test unchanged. [Click here to view the PCS Declaratory Ruling.](#)

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*Impact:* This ruling supports greater integration of renewable resources, particularly at large sites, by clarifying that projects serving on-site load are not subject to the 5MW maximum. Thus, organizations like the Port Authority, with multiple large-scale facilities, can pursue Value Stack compensated projects while serving on-site loads. As the PSC stated, New York has “ambitious clean energy goals that require aggressive development of renewable energy by the public sector as well as the private sector.” If you have any questions about value stack tariffs, please contact any of the attorneys in our Renewable Energy practice. If you received this alert from a third party or from visiting our website, and would like to be added to our Municipal or Renewable Energy mailing lists or any other of our mailing lists, please visit us at: <https://forms.hodgsonruss.net/sign-up-for-email-and-other-communications..html>.