

NEW YORK MODIFIES INTERCONNECTION REQUIREMENTS FOR DISTRIBUTED ENERGY RESOURCES

Hodgson Russ Renewable Energy Alert
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On December 13, the New York Public Service Commission (“Commission”) approved updates to the State’s Standardized Interconnection Requirements (“SIR”) – the set of rules governing how distributed energy resources, such as community solar and retail energy storage systems, connect to the grid. [1] The new, updated SIR is attached as Appendix A to the Commission’s Order. A group of developer and utility representatives, as part of the Interconnection Policy Working Group and Interconnection Technical Working Group, put forward these proposed revisions in a September 5, 2019 joint petition.

Collectively, the SIR amendments stand to “advance both New York City’s energy policy and the State’s goals under the [Climate Leadership and Community Protection Act],” [2] which include deploying 6 GWs of distributed solar by 2025, and 3 GWs of storage by 2030.

First, and perhaps most importantly, the SIR amendments provide much needed clarity on what constitutes a “material modification” to an initial project application – *i.e.*, a change that would require a developer to submit a completely new interconnection application. Losing one’s position in the interconnection queue is a significant project development risk. It results not only in project delays, but potentially higher interconnection costs and the loss of State incentives that require achievement of certain interconnection milestones. In approving the petition, the Commission sought to balance the developer’s ability to modify its original petition due to zoning or permitting challenges, equipment unavailability, changes in operating characteristics, or project ownership, with the need to ensure fairness to all other applicants in the interconnection queue.

To achieve that goal, the SIR now sets forth procedures and timelines under which developers propose modifications and utilities determine their materiality. The SIR defines “Material Modification” and provides a list of *per se* examples, including an increase in a system’s nameplate capacity of more than 2%, and the addition of an energy storage system to an existing distributed generation facility. The Commission formally directed the utilities to consider the DPS Staff’s Guidance Document on DER Material Modifications to minimize disputes going forward. According to that document, non-material modifications include, among other things, (i) like-kind

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equipment changes that do not result in increased AC nameplate capacity above 2%; (ii) a change reducing the output or nameplate rating of the generating facility; and (iii) a change in ownership of the generating facility.

Additionally, the SIR contains updates to technical screens that cover connecting on a utility's secondary network, which particularly applies to projects in Con Edison's New York City territory. It also establishes a new test that more accurately reflects voltage flicker concerns associated with solar PV projects. Finally, the SIR streamlines the interconnection rules for energy storage systems in Appendix K, allowing the utilities to more effectively interconnect those systems.

To learn more about these SIR changes, and how they may affect project development risk and deployment going forward, please contact a member of Hodgson Russ's Renewable Energy Practice at <https://www.hodgsonruss.com/practices-renewable-energy.html>.

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[1] New York Public Service Commission, *Order Modifying Standardized Interconnection Requirements*, Case 19-E-0566 (Issued and Effective December 13, 2019).

[2] *Id.*, pg. 10.