



LIPA's 2025 Tariff Proposals

Prepared by: William Wai, Director of Rates
Prepared for: LIPA Board of Trustees

December 18, 2024





Tariff Proposals

Tariff Proposal for Consideration

Integrated Energy Data Resource ("IEDR") Platform:

- The Board approved LIPA participation in the IEDR program March 2021
- Proposal expressively absolves LIPA's liability for any improper access or sharing of customer data after the Authority transfers such data to the IEDR platform and explicitly acknowledges that the customer (and not the utility) is the owner of the customer's data
- Final proposal adopts the DPS recommendation and aligns LIPA's tariff language with the PSC November 19, 2024 Order issued after the original proposal was published

COVID-19 Temporary Emergency Modifications:

- Temporary relief was provided to LIPA commercial customers after the State of Emergency was declared in May 2020
- In June 2021, the Governor issued Executive Order No. 210, ending the State of Emergency
- Proposed changes revert LIPA's tariff to pre-pandemic measures for commercial customer payment arrangements, and
- Realign LIPA with the regulated electric utilities in the state concerning the provision of the services provided

New York State Home Energy Fair Practices Act ("HEFPA") Amendments:

- Public Service Law ("PSL") § 41, part of HEFPA, was amended on June 19, 2024.
- Proposed changes align LIPA's tariff language with the HEFPA amendment
 - Shortens the time limit for LIPA to back-bill Residential Customers from six to three months from the end of a billing period
 - Clarifies the definition of Residential Customer as any customer that is on a residential rate

Tariff Proposals for Consideration

Small Generator Interconnection Procedures ("SGIP"): applies to generators that are less than 10,000 kW (10 MW)

- Implements changes approved by the New York State Public Service Commission in April 2023.
 - Requires smart inverters to meet the standards for UL 1741 SB0
 - Requires PSEG Long Island to provide an updated upgrade cost estimate within 10 Business Days of completion of design work if the scope of work changed from the Coordinated Electric System Interconnection Review ("CESIR") estimate
 - Allows PSEG Long Island to remove the project from the interconnection queue if the applicant does not make a payment or there is no progress in 12 months
- Modify the definition of Site Control to accommodate a variety of property use arrangements for solar projects

Customer Benefit Contribution ("CBC") Charge:

- PSC Order issued in June 2024 addressing CBC charges applicable to DG projects interconnected after January 1, 2022
 - the CBC charge not applicable to system expansions for systems interconnected prior to January 1, 2022, and
 - the CBC charge is applicable to complete system replacements
- Proposed changes aligns LIPA's tariff with the June 2024 PSC Order

Public Comments

Comments from LIPC and PULP:	LIPA Staff Responds:
<p>LIPC understands the need for LIPA’s IEDR proposal and requests a written commitment from LIPA to prevent data breaches associated with IEDR</p>	<p>LIPA is committed to safeguarding its customer data.</p>
<p>PULP and LIPC support LIPA’s proposed tariff changes to align with the HEFPA amendment.</p>	<p>No Response required.</p>
<p>Both LIPC and PULP comment that it is untimely to sunset the temporary emergency COVID-19 support and recommend continuation.</p>	<p>The temporary tariff changes were put in place following the State of Emergency declared by the Governor due to the impact of the COVID-19 pandemic. As more than three years have passed since the end of the COVID-19 State of Emergency, it is time to discontinue the temporary emergency COVID-19 measures.</p>



DPS Recommendation Letter

- **Integrated Energy Data Resource ("IEDR") Platform:**
 - DPS Staff reviewed LIPA's proposal and encouraged that LIPA revise its proposed tariff language to align with the tariff language contained in the Commission's November 19, 2024 Order. Upon further discussions with LIPA, DPS supported LIPA's suggestion of inclusion of the term "malicious act" in the tariff language and recommended the Tariff, effective on January 1, 2025.
- **COVID-19 Temporary Emergency Modifications:**
 - DPS Staff supports adopting the Tariff modifications as proposed and asserts that LIPA's proposal realigns LIPA's tariff with regulations governing the Investor-Owned Utilities ("IOU's") concerning provision of service to commercial customers. The DPS Staff notes that more than three years have passed since the COVID-19 State of Emergency ended and finds it reasonable for LIPA to revert its Tariff to pre-pandemic measures.
- **New York State Home Energy Fair Practices Act ("HEFPA") Amendments:**
 - DPS Staff recommends that the Board adopt LIPA's tariff as proposed after it reviewed LIPA's proposal and determined the modifications bring the Tariff into compliance with PSL § 41 and align with the IOU's to provide fair and adequate back billing protections for residential customers.

DPS Recommendation Letter

Small Generator Interconnection Procedures ("SGIP"):

- DPS Staff recommends the approval of the changes to SGIP as proposed after it reviewed LIPA's proposal and determined that these changes align the Tariff with changes made by the Commission to its Statewide Standardized Interconnection Procedures ("SIR"). It also highlights the changes would not have a material financial impact.

Customer Benefit Contribution ("CBC") Charge:

- DPS Staff supports the approval of modifications to the CBC charge provisions as proposed after it reviewed LIPA's proposal and determined that these modifications align the Tariff with The Commission's June 21, 2024 Order. Staff concludes that LIPA's proposed modifications clarify any ambiguity in applying the CBC charge by clearly delineating the factors that determine whether the CBC charge is applicable. It believes that the modification will further impact a group of Structured customers (approximately 661 customers) who will no longer be subject to the CBC charge and will save monthly.

Thank You

William Wai
Director of Rates

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FOR CONSIDERATION

December 18, 2024

TO: The Board of Trustees
FROM: John Rhodes
SUBJECT: Approval of Tariff Changes

Requested Action

The Trustees are requested to approve the following proposals to modify the Long Island Power Authority's ("LIPA" or the "Authority") Tariff for Electric Service:

1. **Integrated Energy Data Resource ("IEDR") Platform:** Modifying LIPA's Tariff for Electric Service to expressly absolve the Authority of liability for any improper access or sharing of customer data after the Authority transfers such data to the IEDR platform.
2. **New York State Home Energy Fair Practices Act ("HEFPA") Amendments:** Modifying LIPA's Tariff for Electric Service to be consistent with recent statutory amendments to the HEFPA and clarify the Tariff's definitions of Residential and Non-Residential Customers.
3. **Small Generator Interconnection Procedures ("SGIP") Update:** Modifying LIPA's interconnection procedures to apply Statewide Standard Interconnection Requirement ("SIR") changes adopted by the New York Public Service Commission ("Commission") and better define Site Control related to the property where distributed generation ("DG") is to be installed.
4. **COVID-19 Temporary Emergency Measures:** Modifying LIPA's tariff for Electric Service to sunset temporary emergency COVID-19 support measures which provided commercial customers relaxed deferred payment agreement ("DPA") terms.
5. **Customer Benefit Contribution ("CBC") Charge:** Modifying LIPA's Tariff for Electric Service to clarify the application of the CBC charge and give "grandfather" status to distributed generation ("DG") systems originally interconnected prior to January 1, 2022.

IEDR: Background

In February 2021, the Commission issued an order to establish a statewide IEDR platform, an online tool that would provide access to statewide customer and system data to "accelerate efficient and expanded useful access to useful energy data, for all types of users, including Energy Service Entities ("ESE's"), utilities, governmental agencies, and academics."¹ The Commission, in its Order Addressing Integrated Energy Data Resource Matters issued on October 13, 2023, stated that the:

...statewide IEDR is intended to provide ESEs with access to useful energy-related

¹ Case 20-M-0082, Proceeding on Motion of the Commission Regarding Strategic Use of Energy Related Data, Order implementing An Integrated Energy Data Resource (issued Feb. 11, 2021).

information and tools in a more streamlined manner than under the current process where data is obtained separately from each individual utility. Specifically, IEDR users would be able to access and use a variety of query tools that enable useful analyses across all the statewide energy-related data that is stored within the IEDR platform.²

The Commission appointed the New York State Energy Research Development Authority (“NYSERDA”) to serve the role of Program Sponsor.

The IEDR is “intended to collect, house, integrate, analyze, and manage a wide variety of standardized energy-related information from the State’s electric and gas utilities and other sources,” including Customer Data Sets and various types of utility system data.³ The Commission has defined “Customer Data Sets” to include three different data sets: 1) Customer Contact Information; 2) Customer Billing; and 3) Customer Energy Usage.⁴ “Highly confidential personal information,” which is defined by the Commission as “[h]ighly sensitive information specific to an individual that could be used to identify the individual, such as social security number, banking information, or driver’s license,” will not be transferred to the IEDR platform.⁵

In the IEDR Matters Order, the Commission directed the Joint Utilities to transfer the defined Customer Data Sets to the IEDR Solution Architect and Development Team (the “IEDR Administrator”) without customer consent, “as such transfer is an exchange of customer data between data custodians.”⁶ The Commission further stated:

As a data custodian⁷, the IEDR will be governed by the [Data Access Framework (“DAF”)], which establishes the means and methods for ESE’s to access Customer Data Sets and other energy-related information from the IEDR platform, while ensuring that such information is properly protected from unauthorized disclosures. Any data being accessed by an ESE via the IEDR platform would only be released consistent with the policies and requirements adopted as part of the DAF.⁸

To that end, the Commission “clarifie[d] that the IEDR Administrator shall not share Customer Data Sets without customer consent, subject to the data protection requirements set forth in the Commission’s DAF Order and related orders.”⁹

² Case 20-M-0082, Supra, Order Addressing Integrated Energy Data Resource Matters (issued Oct. 13, 2023), (“IEDR Matters Order”), at 9-10.

³ IEDR Matters Order at 12.

⁴ Case 20-M-0082, Supra, Order Adopting a Data Access Framework and Establishing Further Process (issued Apr. 15, 2021) (“DAF Order”).

⁵ IEDR Matters Order at 11.

⁶ *Id.* at 2, 11.

⁷ The DAF Order defines a “data custodian” as “any entity where the energy-related data are housed and being accessed, such [as] the utility or a centralized data warehouse.” DAF Order at Appendix A. In the IEDR Matters Order, the Commission stated, “the IEDR is such a centralized data warehouse that will function as a data custodian for the purposes of managing the energy-related data received from various sources, including from the Joint Utilities. Thus, the transfer of this data from the utilities to the IEDR is a custodian-to-custodian transfer of data that does not require prior customer consent. IEDR Matters Order at 11.

⁸ IEDR Matters Order at 12-13.

⁹ *Id.* at 2.

The Commission also acknowledged that utilities would have “no ability to protect the data stored in the IEDR platform once it has been transferred” and that the IEDR Administrator would be responsible for “the protection of Customer Data Sets or other energy-related data on the IEDR platform from unauthorized disclosures.”¹⁰ The Commission further acknowledged that once the IEDR platform becomes “operational,” ESE’s will have the ability to “directly access data from the IEDR platform itself.”¹¹

In light of the above, the Commission directed each of the Joint Utilities to file tariff revisions that “explicitly acknowledge that the customer (and not the utility) is the owner of the customer’s data” and release each utility from liability related to customer data that is improperly accessed or shared after the utility transfers such data to the IEDR platform.¹²

IEDR: Proposed Action

LIPA is not subject to the Commission’s orders and is therefore not required to transfer the Customer Data Sets to the IEDR Administrator. LIPA may voluntarily agree to follow the Commission’s IEDR Matters Order to transfer the Customer Data Sets, or a subset thereof, to the IEDR Administrator without customer consent. Consistent with the Commission’s orders referenced above, LIPA would consider such a transfer of data to be between data custodians. LIPA Staff notes that LIPA is not submitting itself to the Commission’s jurisdiction and that LIPA takes no position on whether it will participate in future Commission programs.

Accordingly, LIPA Staff proposed to modify the Tariff to eliminate any LIPA liability for improper access or sharing of relevant customer data after it transfers such data to the IEDR platform. This Tariff amendment is consistent with respective tariff amendments filed by each of the Joint Utilities as authorized by the Commission in the IEDR Matters Order. Consistent with the expectations of the Joint Utilities as reflected in the IEDR Matters Order, LIPA anticipates that the IEDR Administrator will agree to reasonable indemnity provisions in the contract (*e.g.*, a cybersecurity and non-disclosure agreement), to be negotiated between LIPA, through its service provider, and the IEDR Administrator.¹³

IEDR: Financial Impact

None

IEDR: Stakeholder and DPS Comments

Two public comment sessions were held on the LIPA’s Tariff proposals and written comments were also solicited from interested stakeholders. The Long Island Progressive Coalition (“LIPC”) states that it understands the need for the limitation of liability proposed in the IEDR Platform. LIPC provides further comment requesting that LIPA make a written commitment to all customers

¹⁰ *Id.* at 13.

¹¹ *Id.* at 13.

¹² *Id.* at 15.

¹³ *See IEDR Matters Order* at 2.

that every effort will be taken to prevent data breaches associated with the IEDR.

The DPS Staff reviewed LIPA's proposal and encouraged that LIPA revise its proposed tariff language to align with the tariff language contained in the Commission's November 19, 2024, Order.¹⁴ Upon further discussions with LIPA, DPS supported LIPA's suggestion of inclusion of the term "malicious act" in the tariff language and recommended the Tariff, effective on January 1, 2025, read as follows:

"LIPA may provide non-anonymized and non-aggregated customer specific data to the State's Integrated Energy Data Resource (IEDR) consistent with the New York Public Service Commission's Order Addressing Integrated Energy Data Resource Matters issued on October 13, 2023, in Case 20-M-0082. If such data is improperly released from the IEDR as the result of a cyber-related incident, or inadvertently disclosed by the IEDR administrator or its agents or contractors due to an operational error, or maliciously disclosed by the IEDR administrator or its agents or contractors, LIPA will not be liable for such release or disclosure. Consistent with the Commission's policies regarding data ownership, the customer (not the utility) is the owner of the customer's data."

LIPA Staff Response:

LIPA is committed to safeguarding its customers' data. LIPA Staff acknowledges the Public Service Commission Order issued after the Authority's original Tariff change proposal and agrees with the DPS recommended revision to LIPA's original proposal.

HEFPA Amendments: Background

Since 1981, HEFPA has provided residential energy customers with comprehensive protections in areas such as application for service, customer billing and payment, and complaint procedures.¹⁵ In March 2024, HEFPA was amended to address finality of certain utility charges, including back billing practices.

Effective June 19, 2024, Public Service Law ("PSL") § 41, part of HEFPA, was amended to state, in relevant part, that if a utility "does not render a residential customer..., with the exception of a seasonal or short-term customer..., a monthly bill for gas and/or electric services used by such customer during that monthly period, or, in the case of bi-monthly meter reads, during that month and the prior month, within three months from the end date of such monthly billing period, then, such residential customer shall not be charged for such gas and electric services which were not billed... unless the failure of the corporation or municipality to bill sooner was not due to the neglect of the corporation or municipality or was due to the culpable conduct of the customer."

¹⁴ Case 20-M-0082, Supra, Order Approving Tariff Amendments, With Modification, On A Permanent Basis (issued Nov. 19, 2024).

¹⁵ Customers in the LIPA service territory follow the Customer Complaint Procedures outlined in the Tariff rather than HEFPA.

HEFPA Amendments: Proposed Action

LIPA Staff proposes to amend LIPA's Tariff to align with the HEFPA amendment. Specifically, the proposed Tariff changes prohibit the Authority from charging a residential customer, other than a seasonal customer or a Short-Term or Temporary Residential Customer, for electric services rendered during a billing period unless the Authority renders a bill to such residential customer for that billing period within three months from the end of such billing period.¹⁶ For example, if a monthly billing period runs from January 1 through January 30, the Authority must issue a bill for the January time period by April 30.

If the bill is not rendered by the Authority within the three-month window, the customer will not be charged for electric service, unless the Authority's failure to render a bill sooner: 1) was not due to the neglect of the Authority; or 2) was due to the culpable conduct of the customer. If these exceptions apply, the Authority is not bound by the three-month prohibition.

Additionally, the proposed Tariff language states for Residential Customers that qualify as a Seasonal Customer and/or Short-Term or Temporary Customer, the Authority may not render a bill for previously unbilled service after twenty-four months from the time service to which the bill was provided. This provision shall not apply when the culpable conduct of a customer caused or contributed to the failure of the Authority to have rendered a timely or accurate billing.¹⁷

Staff also proposes to revise the Tariff's definitions for Residential Customers and Non-Residential Customers to define Residential Customers as all customers on residential rates, which may include, for example, buildings used for religious purposes, community residences, and veteran's organizations.¹⁸ Pursuant to this proposed change, the Authority would generally apply HEFPA provisions to all customers on residential rates, not only those customers that use electric service for a residential purpose unless otherwise specified in HEFPA.¹⁹

Finally, Staff proposes to add consistent language in Section 1.C.11 of the Tariff to conform with other areas of the tariff that allow certain buildings, used by not-for-profit Veterans' Organizations, to opt-in to Residential rates.²⁰

HEFPA Amendments: Financial Impact

None

¹⁶ This proposed Tariff language is consistent with N.Y. Pub. Serv. Law §41(1).

¹⁷ This proposed Tariff language is consistent with N.Y. Pub. Serv. Law §41(3).

¹⁸ See Tariff Section VIII(A)(1)(a) which defines a customer eligible for residential service, in relevant part, as "A Customer who will use the service for residential purposes or as specified in Section 76 of the Public Service Law, for religious purposes, a Community Residence, or a post or hall owned or leased by a not-for-profit corporation that is a Veterans' Organization."

¹⁹ As noted above, PSL §41(1) specifically excludes seasonal and short-term customers.

²⁰ See N.Y. Pub. Serv. Law §76.

HEFPA Amendments: Stakeholder and DPS Comments

Three public comment sessions were held on the LIPA's Tariff proposals and written comments were also solicited from interested stakeholders. The Public Utility Law Project ("PULP") supports LIPA's effort to update its Tariff to match recent changes to the Public Service Law ("PSL"). PSL § 41 was amended to require utility bills be provided to customers within a three-month window. PULP feels this revision will foster transparency in utility billing and allow for customers to make more informed decisions about their energy usage.

LIPC supports the updated Tariff language as it mirrors the recent changes to the PSL. LIPC believes this change will help protect consumers from financial instability, foster transparency in utility billing and allow the customer to make informed decisions about their energy usage.

The DPS Staff reviewed LIPA's proposal and determined the modifications bring the Tariff into compliance with PSL § 41 and align with the Investor-Owned Utilities ("IOU's") to provide fair and adequate back billing protections for residential customers. Further, Staff supports the clarifications proposed for the definitions of Residential and Non-Residential Customers, and the addition to Section 1.C.11. The DPS Staff recommends that the Board adopt LIPA's tariff as proposed.

SGIP Update: Background

First, on December 22, 2022, members of the statewide Interconnection Policy Working Group and Interconnection Technical Working Group ("IPWG/ITWG") petitioned the Commission to make minor amendments to the Statewide SIR (the "December 2022 Petition").²¹ On April 21, 2023, the Commission adopted the modifications to the current version of the Statewide SIR (the "April 2023 Order").²² This proposal seeks to implement changes conforming to LIPA's SGIP based on the April 2023 Order.

Second, to encourage further development of solar projects in the LIPA service territory, Staff proposes to modify the definition of Site Control to accommodate a variety of property use arrangements that may be available to solar projects, including long-term lease agreements. This proposal seeks to better define "Site Control" and clarify the types of documents that will be accepted by the Authority to ensure property owner consent at locations where DG projects are to be installed. This proposal incorporates feedback received from the LIPA Board at the December 13, 2023, board meeting.

²¹ Case 22-E-0713, *Petition of the IPWG/ITWG Members Seeking Certain Minor Amendments to the New York State Standardized Interconnection Requirements*, dated December 22, 2022.

²² Case 22-E-0713, *Petition of the IPWG/ITWG Members Seeking Certain Minor Amendments to the New York State Standardized Interconnection Requirements, Order Modifying Standardized Interconnection Requirements*, Issued and Effective April 21, 2023.

SGIP Update: Proposed Action

LIPA Staff proposes three substantive modifications to the SGIP. The proposed changes are as follows:

- **UL 1741 Supplement B (“UL 1741 SB”)**: The proposed changes add reference to UL 1741 SB, consistent with language adopted by the Commission in the April 2023 Order. These modifications are technical in nature and, as stated on page 4 of the April 2023 Order, they are:
“...driven by recent updates to the IEEE 1547 standards for smart inverter functionality and the associated testing certification of those smart inverters through UL 1741. The amendments will ensure that all smart inverters installed in New York under the SIR process are tested and certified to the latest industry standards and practices.”
- **Cost Estimates**: The proposed changes add language that requires PSEG Long Island to provide the applicant an updated cost estimate within ten (10) Business Days from the completion of design work if the scope of work has changed from the Coordinated Electric System Interconnection Review (“CESIR”) estimate. In addition, added language stipulates a process for removal from the interconnection queue if a timely deposit payment is not made or if the applicant does not complete a timely final acceptance.
- **Property Use Arrangements**: In light of the robust solar industry on Long Island and the various property use arrangements available to solar projects, Staff proposes changes to the SGIP to modify the definition of Site Control to clarify the types of documentation required to demonstrate that the interconnection customer has the requisite property interest and Site Control for the property where the distributed generation facility is to be installed. The proposed definition of Site Control on page 24 of the SGIP states:

Site Control:

Site Control shall mean: (1) documentation of the requisite control of the real property where the facility will be sited (in the form required by subsections a, b, or c below); and (2) executed New York State Standard Acknowledgement of Property Owner Consent Form and Site Control Certification Form, provided in Appendix H and Appendix H-1, unless otherwise subject to the exception provided below. Evidence of Site Control must be submitted with the Interconnection Request.

- a. Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generator;
- b. An option to purchase or acquire a leasehold site for such purpose; or
- c. Exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

Exception: Applicant does not need to execute Appendix H and Appendix H-1 in the following cases:

- a. The Applicant is the owner of real property where the project will be sited and can demonstrate the ownership of the property; or
- b. The Applicant submits evidence to the Utility’s satisfaction that the interconnecting customer holds the requisite documentation demonstrating site control of the physical location where the project will be situated and has obtained all required property owner/lessor consents for the installation of the distributed generation facility at the project site (for example: Landlord Estoppel Certificate).

This change will enhance the interconnection of distributed energy resources (“DER”) with the LIPA distribution system and support DER installations on long-term leased properties/facilities.

A summary of property use arrangements and whether completed appendices will be required in addition to documentation of property control is provided below.

Property Use Arrangements	Appendices H and H-1 Needed?
Real property owner submits and owns proposed DER	No
Developer submits application on real property owner’s behalf; property owner is not applicant, but will ultimately own DER	Yes
Developer submits application and has a lease or option on the property/roof with owner; developer will own DER	Yes
Developer submits application but property owner is not privy to forms (ex. long-term lease that allows for DER placement)	No

SGIP Update: Financial Impact

None

SGIP Update: Stakeholder and DPS Comments

Three public comment sessions were held on the Tariff proposals and written comments were also solicited from interested stakeholders. No comments were received from the public on the Small Generator Interconnection Procedure (“SGIP”) update proposal.

The DPS Staff reviewed LIPA’s proposal and determined that these changes align the Tariff with changes made by the Commission to its Statewide Standardized Interconnection Procedures (“SIR”). The SGIP, like the SIR for the IOU’s, provides a framework for connecting new or modified distributed generators to LIPA’s distribution system. DPS Staff highlights the changes would not have a material financial impact. Therefore, DPS Staff recommends the approval of the changes to SGIP as proposed.

COVID-19 Temporary Emergency Measures: Background

To assist customers who have fallen behind on their bills, the Authority offers payment plans or Deferred Payment Agreements (“DPAs”), which allow customers to pay down outstanding balances over time. The Authority works with customers to develop DPAs tailored to the customer’s needs and financial circumstances. By entering into a DPA, the customer avoids disconnection and/or suspension of service. The proposed Tariff amendments align with the Authority’s DPA business policy, are largely consistent with the DPS regulations²³ for commercial customers regarding DPAs and security deposits and are consistent with policies implemented by other electric utilities in the State.

In May 2020, due to the significant economic impact of the COVID-19 pandemic and the State of Emergency declared by the Governor,²⁴ the Authority’s Board of Trustees approved temporary emergency modifications to its Tariff impacting DPAs and security deposits.

Specifically, the approved temporary emergency changes included:

1. Extended eligibility for DPAs to larger commercial customers that fell into arrears;
2. Extended the length of DPAs for commercial customers to twice the length of the current emergency, up to a maximum of 12 months;
3. Waived the late payment fees for the first 6 months for commercial customers entering a DPA;
4. Reduced the minimum requirement for a down-payment to equal the current bill plus half of average monthly bill; and
5. Allowed good credit commercial customers that requested relief to apply their security deposits against outstanding charges.

The approved DPA changes provided temporary relief to larger commercial customers that were impacted by the COVID-19 pandemic by providing a longer length of time to pay down arrears as they coped with resuming normal business operations. Additionally, by waiving the late payment fees for the first six months of their recovery, businesses were given the opportunity to satisfy their financial obligations to the Authority over a longer period of time. The approved changes to the use of security deposits allowed commercial customers with good credit to better manage their cash flow during uncertain economic times, using the money on deposit to meet current bill obligations instead of falling into arrears or otherwise hurting their financial prospects during economic recovery. The amounts used from the security deposits were to be refreshed by the customers after the emergency provisions expired.

In June 2021, the Governor issued Executive Order No. 210, ending the State of Emergency.²⁵ In November 2021, after consultation and coordination with other utilities in the State, the Authority’s DPA business practices returned to pre-pandemic policies, thereby ending the temporary emergency protections. This proposal seeks to align the Tariff to current business practice and sunset the temporary emergency COVID-19 support provided to commercial customers through relaxed DPA terms.

²³ 16 NYCRR §§ 13.5; 13.7.

²⁴ Executive Order No. 202: Declaring a Disaster Emergency in the State of New York, dated March 7, 2020.

²⁵ Executive Order No. 210: Expiration of Executive Orders 202 and 205, dated June 24, 2021.

COVID-19 Temporary Emergency Measures: Proposed Action

Staff proposes to modify the Tariff to sunset temporary emergency COVID-19 support provided to commercial customers through relaxed DPA terms. Specifically, the modifications include:

1. Ending the temporary practice of allowing good credit commercial customers that request relief to apply their security deposits against outstanding charges;
2. Ending DPA eligibility to larger commercial customers that fell into arrears;
3. Ending the extended length of DPAs for commercial customers to twice the length of the then-current emergency, up to a maximum of 12 months;
4. Ending the waiver of the late payment fees for the first 6 months for commercial customers entering a DPA; and
5. Ending reduction of the minimum requirement for a down-payment to equal the current bill plus half of average monthly bill.

COVID-19 Temporary Emergency Measures: Financial Impact

Few direct financial impacts associated with this proposal are anticipated.

COVID-19 Temporary Emergency Measures: Stakeholder and DPS Comments

Three public comment sessions were held on the Tariff proposals and written comments were also solicited from interested stakeholders. Both PULP and LIPC provided written comments on this matter, and LIPC also virtually spoke at the November 25, 2024, evening public comment session. Both commenting parties felt it untimely to sunset the temporary emergency COVID-19 support at this time and recommended continuation. PULP notes that while the overall economy has shown signs of recovery, some commercial customers, many of which likely encompass small businesses, may still be grappling with the economic aftershocks of the pandemic. LIPC provided the same note.

DPS supports adopting the Tariff modifications as proposed and asserts that LIPA's proposal realigns the Tariff with regulations governing the IOUs concerning provision of service to Non-residential customers. The DPS Staff notes that more than three years have passed since the COVID-19 State of Emergency ended and finds it reasonable for LIPA to revert its Tariff to pre-pandemic measures.

LIPA Staff Response: The temporary tariff changes were put in place following the State of Emergency declared by the Governor due to the impact of the COVID-19 pandemic. As more than three years have passed since the end of the COVID-19 State of Emergency, it is time to discontinue the temporary emergency COVID-19 measures. LIPA's proposal to sunset the temporary emergency COVID-19 measures ensures that the Authority's practices of serving commercial customers are consistent with practices of other major utilities in the State.

CBC Charge: Background

The CBC charge is a billing item for LIPA customers who install DG systems at their site on or

after January 1, 2022. The CBC is calculated based on the system size of the project. The daily CBC charge is multiplied by the customer’s electric generating equipment’s nameplate capacity rating in kW DC to calculate the CBC charge for the customer. The CBC charge helps to recover revenue for programs such as the Low-Income Program, Utility Energy Efficiency and Electrification Programs, and the cost of contracted renewable energy. The CBC rates change annually and are available on LIPA’s Statement of CBC Charge, which is part of the Tariff (LIPA Statement No. 3 – CBC).²⁶

The Commission issued the June 2024 Order addressing CBC charges applicable to DG projects interconnected after January 1, 2022.²⁷ The Commission clarified that the CBC charge should not be applied to system expansions for DG systems interconnected prior to January 1, 2022, and noted that only complete system replacements shall be charged the CBC charge.

CBC Charge: Proposed Action

While LIPA is not subject to the Commission order referenced above, Staff proposes to modify the Tariff to clarify the application of the CBC charge to align with the June 2024 Order. Currently, the Authority applies the CBC charge to DG systems originally interconnected, modified, expanded, or replaced after January 1, 2022. To align with the June 2024 Order, Staff proposes to only apply the CBC Charge to DG systems that are originally interconnected or completely replaced after January 1, 2022. This change will give “grandfathered” status to systems that were originally interconnected prior to January 1, 2022, and later expand capacity; these “grandfathered” systems will not be charged the CBC charge. As a result of this change, approximately 661 current customers will be given grandfathered status and will no longer be billed the CBC charge.

CBC Charge: Financial Impact

This Tariff proposal will result in fewer customers subject to the CBC charge and approximately \$105,786.00 less revenue in collection per year; however, the proposal is consistent with the rest of the State and will encourage the growth of the solar industry in the LIPA service territory which will assist in achieving the State clean energy goals.

CBC Charge: Stakeholder and DPS Comments

Three public comment sessions were held on the Tariff proposals and written comments were also solicited from interested stakeholders. No comments were received from the public on the Customer Benefit Contribution Charge (“CBC”) proposal.

The DPS Staff reviewed LIPA’s proposal and determined that these modifications align the Tariff with The Commission’s June 21, 2024, Order. LIPA’s proposed modifications clarify any ambiguity in applying the CBC charge by clearly delineating the factors that determine whether

²⁶ See [LIPA Statement of CBC Charge](#)

²⁷ The June 2024 Order also requires the IOUs to include the calculation of the CBC charge on the customer bill, which is the current practice already established by Authority.

the CBC charge is applicable. The modification will further impact a group of Structured customers (approximately 661 customers) who will no longer be subject to the CBC charge and will save monthly. The DPS Staff supports the approval of modifications to the CBC charge provisions as proposed.

Public Comments

LIPA held two public comment sessions on the proposed tariff changes regarding IEDR on September 25, 2024, and three public comment sessions on the other proposed tariff changes on November 25, 2024, and November 26, 2024, and solicited written comments through December 1, 2024. Transcripts of the public comment sessions and a compendium of written comments received are attached as exhibits, and the comments are summarized above, together with responses from LIPA Staff.

Recommendation

For the foregoing reasons, I recommend that the Trustees approve the modifications to the Tariff for Electric Service described herein and set forth in the accompanying resolutions.

Attachments

- Exhibit A-1** Resolution Approving Tariff Modification related to IEDR Platform
- Exhibit A-2** Resolution Approving Tariff Modification related to HEFPA Amendments
- Exhibit A-3** Resolution Approving Small Generator Interconnection Procedures
- Exhibit A-4** Resolution Approving Tariff Modification related to COVID-19 Temporary Emergency Measures
- Exhibit A-5** Resolution Approving Tariff Modification related to CBC charges
- Exhibit B-1** IEDR Platform - Tariff Redline
- Exhibit B-2** HEFPA Amendments - Tariff Redline
- Exhibit B-3** Small Generator Interconnection Procedures - Tariff Redline
- Exhibit B-4** COVID-19 Temporary Emergency Measures - Tariff Redline
- Exhibit B-5** Customer Benefit Charge - Tariff Redline
- Exhibit C** DPS Letter of Recommendation on Tariff Changes
- Exhibit D-1** Public Comment Session Transcripts AM Session – November 25, 2024
- Exhibit D-2** Public Comment Session Transcripts PM and Virtual Session – November 25, 2024
- Exhibit D-3** Public Comment Session Transcripts PM Session – November 26, 2024
- Exhibit E** Compendium of Written Public Comments

**APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF RELATED TO
INTEGRATED ENERGY DATA RESOURCE PLATFORM**

WHEREAS, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board’s commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board also has adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board’s commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA’s share of the clean energy goals of New York’s Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA’s purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on July 17, 2024, public hearings were held in Nassau and Suffolk County on September 25, 2024, in person, by phone and video conference accessible to all customers in LIPA’s service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA’s Tariff, are hereby adopted and approved to be effective January 1, 2025; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Dated: December 18, 2024

**APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF RELATED TO
NEW YORK STATE HOME ENERGY FAIR PRACTICES ACT AMENDMENTS**

WHEREAS, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board’s commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board’s commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA’s share of the clean energy goals of New York’s Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA’s purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on September 25, 2024, public hearings were held in Nassau and Suffolk County on November 25, 2024, and in the Rockaways on November 26, 2024, in person, by phone and video conference accessible to all customers in LIPA’s service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA’s Tariff are hereby adopted and approved to be effective January 1, 2025; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Dated: December 18, 2024

**APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF RELATED TO
SMALL GENERATOR INTERCONNECTION PROCEDURES**

WHEREAS, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board’s commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board’s commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA’s share of the clean energy goals of New York’s Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA’s purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on September 25, 2024, public hearings were held in Nassau and Suffolk County on November 25, 2024, and in the Rockaways on November 26, 2024, in person, by phone and video conference accessible to all customers in LIPA’s service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA’s Tariff (other than those related to the dispute resolution provisions which will be proposed in a separate rule making under the SAPA) are hereby adopted and approved to be effective January 1, 2025; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Dated: December 18, 2024

**APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF RELATED TO COVID-19
TEMPORARY EMERGENCY MEASURES**

WHEREAS, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board’s commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA’s purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on September 25, 2024, public hearings were held in Nassau and Suffolk County on November 25, 2024, and in the Rockaways on November 26, 2024, in person, by phone and video conference accessible to all customers in LIPA’s service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA’s Tariff are hereby adopted and approved to be effective January 1, 2025; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Dated: December 18, 2024

APPROVAL OF MODIFICATIONS TO LIPA’S TARIFF RELATED TO CUSTOMER BENEFIT CONTRIBUTION CHARGE

WHEREAS, the Board of Trustees (the “Board”) of the Long Island Power Authority (“LIPA”) has adopted a Board Policy on Customer Value, Affordability, and Rate Design, which sets forth the Board’s commitment to establishing rates and tariffs that equitably allocate costs, provide customers with the opportunity to save money, employ innovative rate designs, encourage conservation, efficient use of energy resources, and the transition to a carbon-free economy, and offer programs to maintain electric bills that are a reasonable percentage of income for low-income customers; and

WHEREAS, the Board has also adopted a Board Policy on Clean Energy and Power Supply, which sets forth the Board’s commitment to achieving a zero-carbon electric grid by 2040, while meeting or exceeding LIPA’s share of the clean energy goals of New York’s Climate Leadership and Community Protection Act, including those for renewables, offshore wind, distributed solar, and storage; and

WHEREAS, the Board has reviewed the proposal and determined that the proposal is consistent with LIPA’s purpose, including as set forth in the Board Policy on Customer Value, Affordability, and Rate Design and the Board Policy on Clean Energy and Power Supply; and

WHEREAS, the Department of Public Service is supportive of this proposal; and

WHEREAS, following the issuance of public notice in the State Register on September 25, 2024, public hearings were held in Nassau and Suffolk County on November 25, 2024, and in the Rockaways on November 26, 2024, in person, by phone and video conference accessible to all customers in LIPA’s service territory, and the public comment period has since expired;

NOW, THEREFORE, BE IT RESOLVED, that for the reasons set forth herein and in the accompanying Memorandum, the proposed modifications to LIPA’s Tariff are hereby adopted and approved to be effective January 1, 2025; and be it further

RESOLVED, that the Chief Executive Officer and his designees are authorized to carry out all actions deemed necessary or convenient to implement this Tariff; and be it further

RESOLVED, that the Tariff amendments reflected in the attached redlined Tariff leaves are approved.

Dated: December 18, 2024

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I. General Information (continued):**C. General Terms and Conditions (continued):****25. Integrated Energy Data Resource Liability**

LIPA may provide non-anonymized and non-aggregated customer specific data to the State's Integrated Energy Data Resource (IEDR) consistent with the New York Public Service Commission's Order Addressing Integrated Energy Data Resource Matters issued on October 13, 2023, in Case 20-M-0082. If such data is improperly released from the IEDR as the result of a cyber-related incident, or inadvertently disclosed by the IEDR administrator or its agents or contractors due to an operational error, or maliciously disclosed by the IEDR administrator or its agents or contractors, LIPA will not be liable for such release or disclosure. Consistent with the Commission's policies regarding data ownership, the customer (not the utility) is the owner of the customer's data.

I. **General Information (continued):**
B. **Abbreviations and Definitions (continued):**

Customer or Consumer: A person or any other entity who is approved for and supplied electric service by the Authority. Each Customer will have a unique account unless specified otherwise. (See *Applicant*. The term "Customer" may be used interchangeably with "Applicant.")

1. Core Customer

A Customer who has no alternatives to Authority-provided electric service or who, when given an alternative, chooses to accept Authority-provided electric service.

2. Existing Residential Customer

An Applicant who meets the requirements for residential service outlined in Section 1.C.11 and moves from one ~~residence~~ service location to another within the Authority's Service Area and for whom there is a recent payment history.

3. Residential Farm Customer

A Customer whose land is used in agricultural production as defined in subdivision four (4) of section three hundred one (301) of the agriculture and markets law with a farmhouse, together with other buildings or equipment used by its occupant to operate the farm, when connected to the same meter as the residential dwelling.

4. Full-Requirements Customer

A Customer whose electric power requirements are all supplied by the Authority.

5. New Non-Residential Customer

An Applicant who was not the last Customer at the serviced address, regardless of whether the Applicant was a former Customer or is a current Customer at a different address, and who does not meet the requirements for residential service outlined in Section 1.C.11 ~~use the serviced address as a residence~~.

6. New Residential Customer

An Applicant who meets the requirements for residential service outlined in Section 1.C.11 and who is new to the Authority's Service Area.

7. Non-Core Customer

A Customer who has an alternative(s) to Authority-provided electric service and chooses to use the alternative provider.

8. Non-Residential Customer

A ~~person, firm, or other entity~~ Customer engaged in commerce or the business of government, that does not meet the requirements for residential service outlined in Section 1.C.11 ~~use the service address as a residence~~.

9. Non-Residing Customer

A ~~person, firm, or other entity~~ Customer engaged in the development or building of residences or permanent dwellings that will not maintain residence at the service address.

10. Residing Customer

A Customer who uses the serviced address as their residence.

11. Residential Customer

~~A person, firm, or other entity~~ Customer, who meets the requirements for residential service outlined in Section 1.C.11.

I. General Information (continued):**C. General Terms and Conditions (continued):**8. Customer's Responsibilitya) To Notify the Authority of an Interruption of Service

The Customer shall notify the Authority as soon as reasonably possible of any interruption in the supply of electric current.

b) For Authority Property on Customer's Premises

The Customer shall be responsible for and protect the meter and other property of the Authority on the Customer's premises, and compensate the Authority for any damage to, or loss, or destruction of that property.

9. Ownership of Equipment On Customer's Premises

a) The Authority will own, maintain, and replace, if necessary, all the equipment it has installed to supply electricity, at its own expense, in or on the Customer's premises, unless otherwise agreed to in writing.

b) Equipment on the Customer's premises includes all meters, poles, wires, transformers, and other appliances needed to supply electricity.

10. Costs of Special Services on Customer's Premises

If the Authority performs work on the Customer's premises for which there is a charge to the Customer, the charge will be at the Cost to the Authority.

11. Requirements For Residential Service

a) Residential service applies to:

(1) An individual, separately-metered, single-family dwelling (including a houseboat),

(2) An individual, separately-metered flat or apartment, or other building where each dwelling is separately metered under an account in each occupant's name, or

(3) A two-family or three-family dwelling on a single meter when the customer of record resides at that dwelling.

(4) Portions of a two- or three-family dwelling used in common by all of the families (halls, stairs, cellars, oil burner, etc.), when connected to the meter of any apartment;
or

I. General Information (continued):**C. General Terms and Conditions (continued):
Requirements For Residential Service (continued)**

- (5) At the Customer's option, a building used mainly for religious purposes, including a school, even if nonreligious subjects are taught at the school, and
 - (a) The electric service is only used in connection with the religious purposes, and
 - (b) If new or not now classified as religious accounts, Applicants shall identify themselves and offer credentials for a religious classification, or
- (6) Accessory buildings or usage on the same premises as a residential dwelling, apartment on a residential rate, or building used for religious purposes that has elected to be on a residential rate, or
- (7) A Residential Farm Customer, or
- (8) At the Customer's option, a supportive/supervised living facility (community residence), as defined in Subdivisions 28, 28a or 28b of Section 1.03 of the Mental Hygiene Law:
 - (a) If the facility is operated by a not-for-profit corporation, and
 - (b) There are living accommodations for no more than fourteen (14) residents if supervisory staff is on the premises at all times, or
- (9) Part of the dwelling or building in 11.a.1-7 above when used as a business or for professional purposes other than farming, and
 - (a) Usage does not exceed one hundred (100) Kilowatt Hours per month for any two (2) consecutive months, and
 - (b) The premises is primarily a residence, and
 - (c) The business or professional use does not change the character or appearance of the premises, and
 - (d) The business or professional use, by an occupant of the premises, is limited to:
 - (1) A usual home occupation, including the sale of articles or products produced on the premises, but not including the operation of a store for the sale of other articles or products, or
 - (2) The renting of space in an accessory building for the storage of private automobiles, but not done as a business.
- (10) At the Customer's option, a post or hall owned or leased by a not-for-profit corporation that is a Veterans' Organization.

IV. Billing Process and Payment of Bills (continued):**B. Computing a Customer's Bill**1. Service and Rate Classifications

Customers are assigned to Service and Rate Classifications based on criteria which include, but are not necessarily limited to, usage levels, demand levels, time of year for usage/demand (Rate Periods), voltage characteristics, and purpose of use. Each Service and Rate Classification contains its own rates and rate structure to recover revenue levels approved by the Authority.

2. Adjustments to Rates

The Authority may adjust rates or bills periodically for:

- a) Changes in the Power Supply Charge, payments in lieu of revenue taxes, Visual Benefits Assessment, Undergrounding Charge, New York State Assessment or to recover other costs as approved by the Authority, including changes to the Delivery Service Adjustment, -Distributed Energy Resources Cost Recovery Rate, Merchant Function Charge, and the Customer Benefit Contribution Charge and
- b) Any charges and credits approved by the Authority, including the Shoreham Property Tax Settlement Rider, Revenue Decoupling Mechanism and
- c) Discounts to promote economic development, and
- d) Charges to the Authority Green Choice Customers for environmental attributes, and
- e) NYSERDA Loan Installment Charges, and
- f) Securitization Charges.

3. Applying Rate Changes to Customer's Bills

If a rate change becomes effective during a billing period (and unless the Authority determines otherwise), the Authority will average the old and new rates, weighted by the number of days in the billing period before and after the effective date of the rate change.

4. Backbilling~~a) Backbilling Conditions~~

a) For Residential Customers, with the exception of a Seasonal Customer or a Short-Term or Temporary Residential Customer, if the Authority does not render such Residential Customer a monthly bill for electric service used by such customer during that monthly period (or, in the case of bi-monthly meter reads during that month and the prior month), within three months from the end of such monthly billing period, then such Residential Customer shall not be charged for such services which were not billed to such Residential Customer unless the Authority's failure to bill sooner was: (i) not due to the Authority's neglect; or (ii) due to the culpable conduct of such Residential Customer.

IV. Billing Process and Payment of Bills (continued):**B. Computing a Customer's Bill (continued):****Backbilling (continued):**

- b) For Residential Customers that qualify as a Seasonal Customer and/or Short-Term or Temporary Customer - Residential, the Authority may not render a bill for previously unbilled service after twenty-four months from the time service to which the bill pertains was provided. This provision shall not apply when the culpable conduct of a customer caused or contributed to the failure of the Authority to have rendered a timely billing.
- c) For Residential Customers, the Authority shall send a backbill within four (4) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill.
- d) For Non-Residential Customers, the Authority shall send a backbill within six (6) months of learning of the circumstances or situation that caused the Authority to send a late or inaccurate bill, unless that time is extended by a court.
- e) The Authority shall not issue a backbill if the reason for the underbilling is clear from the Customer's Application or would have been clear, but the Authority failed to get and keep an Application.

IV. Billing Process and Payment of Bills (continued):**B. Computing a Customer's Bill (continued):
Backbilling (continued):****f) First Time a Customer is Billed – Time Limits**

~~(1) The Authority may backbill a Customer for service supplied before it sends the first bill, if the delay in billing:~~

~~(a) Is up to but no more than six (6) months for Residential Customers, and~~

~~(b) Was caused by the Authority's neglect, and~~

~~(c) Was not caused by culpable conduct of the Customer.~~

~~(2)~~(1) The Authority may backbill Non-Residential a Customer for service supplied before it sends the first bill, if the delay in billing:

(a) Is up to but no more than twelve (12) months ~~for Nonresidential Customers~~, and

(b) Was caused by the Authority's neglect; and

(c) Was not caused by culpable conduct of the Customer.

~~(3)~~(2) The Authority may backbill a Non-Residential Customer for service supplied up to but no more than twenty-four (24) months before it sends the first bill, if the delay in billing:

(a) Was not caused by the Authority's neglect, or

(b) Was not caused by culpable conduct of the Customer.

~~(4)~~(3) For Residential Customers, the Authority will explain the reasons for the late billing in 1, and 3 above and offer the Customer, in writing, an installment payment plan for the amount owed. The installment plan will offer the Customer the lower down payment amount of these two (2) choices:

(a) One half (1/2) of the amount owed, or

(b) Three (3) months' average billing for that Customer.

~~(5)~~(4) The Authority may backbill a Customer for service supplied up to but no more than six (6) years before it sends the first bill, if the delay in billing:

(a) Was caused by culpable conduct of the Customer, and

(b) Was not caused by the Authority's neglect.



**Small Generator Interconnection Procedures
For Distributed Generators and/or Energy Storage Systems Less than 10 MW Connected in
Parallel with LIPA's Radial Distribution Systems**

Revised January 1, ~~2023~~2025

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Section I. Application Process

Section I.A. Introduction

The Small Generator Standardized Interconnection Procedures (“SGIP”) for Distributed Generators and/or Energy Storage Systems Less Than 10 MW Connected in Parallel with LIPA’s Radial Distribution Systems, administered by PSEG Long Island, as the service provider and agent for LIPA,⁴ provides a framework for processing applications for interconnection to LIPA’s Distribution System for:

- i. Interconnection of new distributed generation (“DG”) facilities with an alternating current (AC) nameplate rating of less than 10 MW (aggregated on the customer side of the point of common coupling (“PCC”));
- ii. Interconnection of new energy storage system (“ESS”) facilities with an AC inverter/converter nameplate rating of less than 10 MW aggregated on the customer side of the PCC that may be stand-alone systems or combined with existing or new DG (“Hybrid Projects”); however, maximum export capacity onto the utility distribution system is capped at an AC nameplate rating or AC inverter/converter nameplate rating of less than 10 MW;
- iii. Modifications to existing ~~DG distributed generation~~ facilities and/or ESS facilities with a nameplate rating of less than 10 MW (aggregated on the customer side of the PCC) that have been interconnected to the LIPA Distribution System and where an existing contract between the applicant and LIPA is in place;
- iv. For new ~~DG distributed generation~~ facilities less than 10 MW, interconnection to specific voltage level of the Distribution LIPA System will be determined during the study phase of the application process;
- v. New ~~distributed generation-DG~~ facilities 10 MW and above must connect to LIPA’s transmission system and make application to the New York Independent System Operator (“NYISO”) under its Small Generator Interconnection Procedures (“NYISO SGIP”) or Large Generator Interconnection Procedures (“LGIP”), as applicable;
- vi. PSEG Long Island will use reasonable efforts to adhere to the specific timeline set forth in the SGIP. However, additional time may be needed to conduct research, studies, and other tasks necessary for interconnection of new technologies. Once such a system is successfully interconnected, it will no longer be considered a new technology, and PSEG Long Island will follow the timelines in accordance with this SGIP.

If a Distributed Generation or Energy Storage System is neither designed to operate nor operating in parallel with LIPA’s System, such equipment is not subject to these requirements.

The application procedures set forth in Section I are organized to facilitate efficient review of potential interconnections to LIPA’s Distribution System. This document will help ensure that applicants are aware of the technical interconnection requirements and LIPA’s interconnection policies and practices. This SGIP and related procedures will also provide applicants with an understanding of the process and information required to allow PSEG Long Island to review and accept the applicants’ equipment for interconnection in a reasonable and expeditious manner.

⁴ This SGIP is an Addendum to, and part of, LIPA’s Tariff for Electric Service. As the service provider for LIPA, PSEG Long Island (as defined herein) administers the SGIP on LIPA’s behalf as its agent.

The application procedures for up to 10 MW distributed generator interconnections to LIPA's Distribution System are detailed in Section I and organized for three categories of generator interconnections. Section I.B addresses application procedures for systems of less than 50 kW as well as inverter-based systems above 50 kW up to 300 KW that have been certified and tested in accordance with UL 1741. Section I.C addresses application procedures for systems above 50 kW up to 5 MW. Section I.G addresses application procedures above 5 MW up to 10 MW.

For systems sized between 0-5 MW, the time required to complete the process will reflect the complexity of the proposed project. Projects using previously submitted designs certified per the requirements of Section 7.1.1 and 8.1.1 of PSEG Long Island's Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA's Distribution System for Preliminary Screening Analysis will move through the process more quickly, and several steps may be satisfied with an initial application depending on the detail and completeness of the application and supporting documentation submitted by the applicant. Applicants submitting systems utilizing certified equipment, however, are not exempt from providing PSEG Long Island with complete design packages necessary for PSEG Long Island to verify the electrical characteristics of the generator systems, the interconnecting facilities, and the impacts of the applicants' equipment on LIPA's Distribution System.

The application process and the attendant services are offered on a non-discriminatory basis. PSEG Long Island will clearly identify its costs related to the applicants' interconnections, specifically those costs PSEG Long Island would not have incurred but for the applicants' interconnections. PSEG Long Island will keep a log of all applications, milestones met, and justifications for application-specific requirements. The applicants are to be responsible for payment of all costs, as provided for herein.

All interconnections to LIPA's Distribution System are subject to the Interconnection Requirements set forth in Section II. These requirements detail the technical interconnection requirements and PSEG Long Island interconnection policies and practices. Where specific standards or requirements are applicable to a specific type of system or to a system of a particular kW or MW value, such limitations are noted in the applicable standards.

Currently, LIPA does not allow any interconnection of Distributed Generation in Underground secondary Network Areas of the LIPA Distribution System.

All application timelines shall commence the next Business Day following receipt of information from the applicant. For purposes of determining the date of an applicant's payment, when a payment is required, fees paid by wire transfer shall be deemed paid on the day of the transfer, whereas fees paid by check shall be deemed paid on the day the check clears.

Additional technical references and requirements are included in "PSEG Long Island's Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA's Distribution System" document which addresses such matters as the following:

- Voltage Response
- Frequency Response
- Reconnection to LIPA's Distribution System
- Induction Generators
- Inverters
- Minimum Protective Functions
- Metering
- Islanding

- Operating Requirements
- Disconnect Switch
- Power Quality
- Power Factor
- Equipment Certification (new section)
- Verification Testing (new section)
- Preliminary Screening Analysis
- Other technical requirements

All Interconnection Customers must comply with “PSEG Long Island’s Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA’s Distribution System” document, as it may be modified by LIPA from time to time.

All SGIP applicants that are subject to the Business Practices for Distributed Energy Resource Suppliers (“BP-DERS”) that are in non-compliance of the BP-DERS may be subject to the suspension of their application for interconnection to LIPA’s Distribution System.

A glossary of terms used herein is provided in Section III.

Section I.B. Application Process Steps for Systems 50 kW or Less (Expedited/Fast Track Process)

Exception 1: For inverter based systems above 50 kW up to 300 kW, applicants may follow the expedited application process outlined in this Section provided that the inverter based system has been certified and tested in accordance with the most recent revision of UL 1741 including supplement B (“UL 1741 SB”), and with settings as specified in the PSEG Long Island’s technical requirements document ~~its~~ supplement A (SA)., and PSEG Long Island has approved the project accordingly. PSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete, the project is eligible for the expedited process, and whether it is approved for interconnection if eligible for expedited process. PSEG Long Island shall notify the applicant in writing of its findings upon review of the application. If PSEG Long Island determines that the inverter based system is not eligible for the expedited application process, the applicant can:

- 1) Proceed with the remaining steps of Section I.C of the SGIP (Systems above 50 kW up to 5 MW);

Exception 2: For non-inverter based systems 50 kW or less, the applicant should be aware that additional information and review time may be required by PSEG Long Island (refer to Step 3). The applicant must include the items required in Step 5 of Section I.C in its original application. This exception should not be considered the rule, but used by PSEG Long Island only in justified situations. PSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete, project is eligible for expedited process, and whether it is approved for interconnection if eligible for expedited process. PSEG Long Island shall notify the applicant in writing of its findings upon review of the application. If PSEG Long Island determines that the non-inverter based system is not eligible for the expedited application process, the applicant can:

- 1) Proceed with the remaining steps of Section I.C of the SGIP (Systems above 50 kW up to 5 MW);

STEP 1: Initial Communication from the Potential Applicant

Communication could range from a general inquiry to a completed application.

STEP 2: The Inquiry is reviewed by PSEG Long Island to Determine the Nature of the Project

Technical staff from PSEG Long Island discusses the scope of the interconnection with the potential applicant (either by phone or in person) and provides a copy of the SGIP document and any LIPA specific technical specifications that may apply. A PSEG Long Island representative will be designated to serve as the single point of contact for the applicant (unless PSEG Long Island informs the applicant otherwise) in coordinating the potential applicant's project with PSEG Long Island.

STEP 3: Potential Applicant Files an Application

The potential applicant submits an application package to PSEG Long Island. No application fee is required for systems 50 kW or less.

A complete application package will consist of all items detailed in Appendix F. Electronic submission of all documents via Interconnection Online Application Portal ("IOAP") is required. PSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete, meets the SGIP technical requirements in Section II, and/or approved for interconnection if all other requirements are met. PSEG Long Island shall notify the applicant by email, fax, or other form of written communication. If the application is deemed not complete by PSEG Long Island, PSEG Long Island shall provide an explanation of the deficiencies identified and a list of the additional information required from the applicant. Once it has received the required information, PSEG Long Island shall notify the applicant of the acceptance or rejection of the application within ten (10) Business days. If the applicant fails to submit the additional information requested by PSEG Long Island to address the deficiencies, PSEG Long Island within thirty (30) Business Days following the date of PSEG Long Island's written notification, ~~shall remove~~ the application ~~shall be removed~~ from the queue and no further action on the part of PSEG Long Island is required.

If PSEG Long Island accepts the application, the notification of acceptance to the applicant shall include an executed LIPA Standardized Interconnection Contract and the applicant may proceed with the proposed installation. PSEG Long Island shall also indicate in its response to the applicant whether or not it plans to witness the testing and verification process in person.

An application will be placed in PSEG Long Island's interconnection inventory once it is accepted as complete. If the final acceptance as set out in Step 6 below is not completed within twelve (12) months of receipt of such executed copy of the Standardized Interconnection Contract as a result of applicant inactivity or other failure to pursue diligently the timely completion of the interconnection, PSEG Long Island has the right to notify the applicant by U.S. first class mail with delivery receipt confirmation or via email that the applicant's project will be removed from PSEG Long Island's interconnection inventory if the applicant does not respond within thirty (30) Business Days of the issue of such notification and provide a project status update and justification as to why the project should remain in PSEG Long Island's interconnection inventory for an additional period of time.

With respect to an applicant proposing to install a system rated 25 kW or less, that is to be net-metered, if PSEG Long Island determines that it is necessary to install a dedicated transformer(s) or other equipment to protect the safety and adequacy of electric service provided to other customers, the applicant shall be informed of its responsibility for the actual costs for installing the dedicated transformer(s) and other safety equipment. Appendix E specifies the maximum responsibility each applicant shall have with respect to the actual cost of the dedicated transformer(s) and other safety equipment. The applicant will pay the cost estimate as provided in Section I.D.

STEP 4: System Installation

The applicant will install the system according to PSEG Long Island-accepted design and the equipment manufacturer's requirements. If there are substantive design variations from the originally accepted system diagram, a revised system diagram (and other drawings for non-inverter based systems) shall be submitted by the applicant for PSEG Long Island's review and acceptance. All inverter based systems will be allowed to interconnect to the LIPA system for a period not to exceed two hours, for the sole purpose of ensuring proper operation of the installed equipment.

For net metered systems, as defined in LIPA's Net Metering Rules, any modifications related to existing metering configurations to allow for net metering shall be completed by PSEG Long Island prior to Step 5. PSEG Long Island shall complete the necessary metering changes within ten (10) Business Days of receiving a request from the applicant.

STEP 5: The Applicant's Facility is tested in Accordance with the SGIP

Verification testing will be performed by the applicant in accordance with the written verification test procedure specified in Appendix F. If PSEG Long Island requested to witness the testing and verification process in person as required in Step 3, the applicant shall provide a written letter of notification to PSEG Long Island that the system installation is completed, including any applicable inspections and authorization. After receipt of notification, the verification testing will be conducted within ten (10) Business Days of system installation at a mutually agreeable time, and PSEG Long Island shall be given the opportunity to witness the tests. If PSEG Long Island opts not to witness the test, the applicant will send PSEG Long Island within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the SGIP, the PSEG Long Island-accepted design and the equipment manufacturer's instructions. The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 5. The applicant must have complied with and must continue to comply with all contractual and technical requirements.

STEP 6: Final Acceptance

Within five (5) Business Days of receiving the written notification of successful test completion from Step 5, PSEG Long Island will issue to the applicant a formal letter of acceptance for interconnection. If the test was not completed successfully, the project must be modified to pass the test, or the project shall be withdrawn from the PSEG Long Island queue. Within five (5) Business Days of the completion of the on-site verification, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system.

Section I.C. Application Process Steps for Systems above 50 kW up to 5 MW

If, at any point in its review of an application, PSEG Long Island determines that the project may benefit from or require a Qualifying Upgrade (as defined herein), the procedures of Appendix E shall apply.

For inverter based systems above 50 kW up to 300 kW, certified and tested in accordance with the most recent revision of UL 1741, including supplement B (“UL 1741 SB”) and with settings as specified in the PSEG Long Island’s technical requirements document, and its supplement A (SA), applicants are encouraged, but not required, to use the expedited application process (Section I.B).

PSEG Long Island has ten (10) Business Days upon receipt of the original application submittal to determine if the application is complete and whether it is eligible for interconnection. PSEG Long Island shall notify the applicant in writing of its findings upon review of the application. If PSEG Long Island determines that the DG system cannot be interconnected or requires additional information be submitted and/or additional review time is needed, the applicant can work with PSEG Long Island on an appropriate timeframe and approval schedule agreeable to both parties.

Currently, LIPA does not allow interconnection of Distributed Generation in Underground secondary Network Areas of the LIPA distribution system.

STEP 1: Initial Communication from the Potential Applicant.

Communication could range from a general inquiry to a completed application.

STEP 2: The Inquiry is reviewed by PSEG Long Island to Determine the Nature of the Project.

Technical staff from PSEG Long Island may discuss the scope of the interconnection with the potential applicant (either by phone or in person) and shall provide a copy of the SGIP and any PSEG Long Island specific technical specifications that may apply. A PSEG Long Island representative shall be designated to serve as the single point of contact for the applicant in coordinating the potential applicant’s project with PSEG Long Island. At this time the applicant may also request that a Pre-Application Report (see Appendix D herein) be provided by PSEG Long Island. The applicant shall provide a non-refundable fee of \$750 with its request for completion of the Pre-Application Report. The Pre-Application Report shall be provided to the applicant within ten (10) Business Days of receipt of the form and payment of the fee. The Pre-Application Report will be non-binding and shall only provide the electrical system data and information requested that is readily available to PSEG Long Island. Should the applicant formally apply to interconnect their proposed DG project within fifteen (15) Business Days of receipt of PSEG Long Island’s Pre-Application Report, the \$750 will be applied towards the application fee in Step 3.

STEP 3: Potential Applicant Files an Application.

The potential applicant submits an application to PSEG Long Island in the name of the customer. A complete application package will consist of all items detailed in Appendix F. Electronic submission of all documents via the IOAP is required. If a Pre-Application Report has been provided to the customer, and an application is received by PSEG Long Island within fifteen (15) Business Days of the date of issue of the Pre-Application Report, a \$750 credit will be applied towards the application fee. Otherwise, payment of a non-refundable \$750 application fee is required.

PSEG Long Island shall review the application to determine whether it is complete in accordance with Appendix F, and whether any additional information is required from the applicant. PSEG Long Island

shall notify the applicant in writing within ten (10) Business Days following receipt of the application and the application fee. If the application is not complete, PSEG Long Island shall provide a detailed explanation of the deficiencies and provide a list of additional information needed to the applicant. PSEG Long Island shall notify the applicant by email, fax, or other form of written communication. PSEG Long Island's review at this stage is limited to the determination of completeness from an administrative perspective and does not mean the application has also received approval from an engineering perspective. PSEG Long Island may require supplemental materials and information for purposes of performing a Coordinated Electric System Interconnection Review.

If the applicant fails to submit all items required by Appendix F, or to provide additional information identified by PSEG Long Island within thirty (30) Business Days following the date of PSEG Long Island's notification, the application shall be deemed withdrawn and no further action on the part of PSEG Long Island is required.

A completed application shall be placed in the interconnection queue maintained by PSEG Long Island.

If the required documentation is presented in this step, it will allow PSEG Long Island to move to Step 4 and perform the required reviews and allow the process to proceed as expeditiously as possible.

PSEG Long Island will refund any advance payments for services or construction not yet completed should the applicant be removed from PSEG Long Island's interconnection inventory. If the costs incurred by PSEG Long Island exceed the advance payments made by the applicant prior to removal from the interconnection inventory, the applicant will receive a bill for any balance due to PSEG Long Island.

STEP 4: PSEG Long Island Conducts a Preliminary Review and Develops a Cost Estimate for the Coordinated Electric System Interconnection Review ("CESIR").

PSEG Long Island shall perform a Preliminary Screening Analysis of the proposed system interconnection utilizing the technical screens detailed in Appendix G. The Preliminary Screening Analysis shall be completed and a written response detailing the results of each screen and the overall outcome of the Preliminary Screening Analysis shall be sent to the applicant within fifteen (15) Business Days of the completion of Step 3. Depending on the results of the Preliminary Screening Analysis and the subsequent choices of the applicant, the following process(es) will apply:

If the Preliminary Screening Analysis finds that the applicant's proposed system passes all of the relevant technical screens and is in compliance with the Interconnection Requirements outlined in Section II, and there are no requirements for Interconnection Facilities or Distribution Upgrades, PSEG Long Island will return an executed Standardized Interconnection Contract to the applicant and the applicant may proceed with the interconnection process.

If the Preliminary Screening Analysis finds that the applicant's proposed system cannot pass all of the relevant technical screens, PSEG Long Island shall provide the technical reasons, data and analysis supporting the Preliminary Screening Analysis results in writing. The applicant shall notify PSEG Long Island within ten (10) Business Days following such notification whether to (i) proceed to a Preliminary Screening Analysis results meeting, (ii) proceed to Supplemental Screening Review, (iii) proceed to a full CESIR, or (iv) withdraw the Interconnection Request. If a cost estimate for the CESIR is not provided with the Preliminary Screening Analysis results, PSEG Long Island shall provide a cost estimate within five (5) Business Days of a request from the applicant. If the applicant opts to proceed to a full CESIR, PSEG Long Island shall provide an invoice for the CESIR fee to the applicant within ten (10) Business Days of receipt of the applicant's notification. The applicant shall have ten (10) Business Days from receipt of the invoice to pay the CESIR fee. If the applicant fails to meet either the notification or the payment deadline, the

application shall be removed from the queue and no further action on the part of PSEG Long Island is required.

- i. If the applicant chooses to proceed to a Preliminary Screening Analysis results meeting and modifications that obviate the need for Supplemental Screening Analysis detailed in Appendix G are identified, and the applicant and PSEG Long Island agree to such modifications, PSEG Long Island shall return a signed and executed Standardized Interconnection Contract within fifteen (15) Business Days of the Preliminary Screening Analysis results meeting if no Interconnection Facilities or Distribution Upgrades are required. The applicant shall notify PSEG Long Island within fifteen (15) Business Days following such notification indicating the intention of the applicant to revise its application as requested and proceed with the interconnection process.

If Interconnection Facilities or Distribution Upgrades are required and agreed to, PSEG Long Island shall provide the applicant with a non-binding cost estimate of any Interconnection Facilities or Distribution Upgrades within fifteen (15) Business Days of the Preliminary Screening Analysis results meeting. The applicant will pay the cost estimate as provided in Section I.D.

If the applicant chooses to proceed to a Preliminary Screening Analysis results meeting and modifications that obviate the need for Supplemental Analysis are not identified and agreed to, the applicant shall notify PSEG Long Island within ten (10) Business Days of the meeting of their intention to (i) proceed to Supplemental Screening Analysis, (ii) proceed to a full CESIR, or (iii) withdraw the Interconnection Request. If the applicant fails to notify PSEG Long Island of their decision by this deadline the Interconnection Request shall be removed from the queue and no further action on the part of PSEG Long Island is required.

- ii. Applicants that elect to proceed to Supplemental Screening Analysis detailed in Appendix G shall provide a nonrefundable fee of \$2,500 with their response; however, actual costs up to a maximum of \$5,000 will be billable to the applicant upon reconciliation of utility costs as defined in Step 11 or exit from the interconnection queue. PSEG Long Island shall complete the Supplemental Analysis within twenty (20) Business Days, absent extraordinary circumstances, following authorization and receipt of the fee. If the Supplemental Analysis finds that the applicant's proposed system passes all of the relevant technical screens and is in compliance with the Interconnection Requirements outlined in Section II, then there are no requirements for Interconnection Facilities or Distribution Upgrades. Thus, PSEG Long Island will return a signed and executed Standardized Interconnection Contract to the applicant within fifteen (15) Business Days of providing the applicant the results of the Supplemental Review and the applicant may proceed with the interconnection process.

If the Supplemental Screening Analysis detailed in Appendix G finds that the applicant's proposed system cannot pass all of the relevant technical screens, PSEG Long Island shall provide the technical reasons, data, and analysis supporting the Supplemental Screening Analysis results in writing. The applicant shall notify PSEG Long Island within ten (10) Business Days following such notification whether to (i) proceed to a Supplemental Screening Analysis results meeting, (ii) proceed to a full CESIR, or (iii) withdraw the application. If the applicant fails to notify PSEG Long Island of their decision by this deadline, the application shall be removed from the queue and no further action on the part of PSEG Long Island is required.

- i. If the applicant chooses to proceed to a Supplemental Screening Analysis results meeting, and modifications that obviate the need for a CESIR are identified, and the applicant and PSEG Long Island agree to such modifications, PSEG Long Island shall return a signed and executed

Standardized Interconnection Contract within fifteen (15) Business Days of the Supplemental Screening Analysis results meeting if no Interconnection Facilities or Distribution Upgrades are required. The applicant will sign and return the contract within fifteen (15) Business Days after receipt from PSEG Long Island and proceed with the interconnection process.

- ii. If the applicant chooses to proceed to a Supplemental Review results meeting and modifications that obviate the need for a CESIR are not identified and agreed to, the applicant shall notify PSEG Long Island, within ten (10) Business Days of the meeting, of the applicant's intention to proceed to a full CESIR or withdraw the application. If the applicant fails to notify PSEG Long Island of applicant's decision by this deadline, the application shall be removed from the queue and no further action on the part of PSEG Long Island is required.
- iii. If the applicant decides to proceed to a CESIR after the Supplemental Screening Analysis or if the applicant chooses at any time in the above process to proceed directly to a CESIR, PSEG Long Island shall provide a cost estimate for the CESIR, if not already provided with preliminary analysis results, within five (5) Business Days of a request from the applicant. If the applicant opts to proceed to a full CESIR, PSEG Long Island shall provide an invoice for the CESIR fee to the applicant within ten (10) Business Days of receipt of the applicant's notification. The applicant shall have ten (10) Business Days from receipt of the invoice to pay the fee. If the applicant fails to meet the payment deadline, the application shall be removed from the queue and no further action on the part of PSEG Long Island is required.

If Interconnection Facilities or Distribution Upgrades are required to interconnect a proposed system that passes the relevant screens, PSEG Long Island shall provide the applicant with a non-binding cost estimate of any Interconnection Facilities or Distribution Upgrades within fifteen (15) Business Days of the Supplemental Screening Analysis results. The applicant will pay the cost estimate as provided in Section I.D.

An accepted application will be placed in PSEG Long Island's interconnection inventory upon PSEG Long Island's receipt of the Standardized Interconnection Contract executed by the applicant. If the final acceptance as set out in Step 11 below is not completed within twelve (12) months of receipt of such executed copy of the Standardized Interconnection Contract as a result of applicant inactivity, PSEG Long Island has the right to notify the applicant by U.S. first class mail with delivery receipt confirmation or via email that the applicant's project will be removed from PSEG Long Island's interconnection inventory if the applicant does not respond within thirty (30) Business Days of the issue of such notification and provide a project status update and justification as to why the project should remain in PSEG Long Island's interconnection inventory for an additional period of time.

STEP 5: Applicant Commits to the Completion of the CESIR

The applicant will indicate his commitment to the CESIR cost estimate by confirming agreement within ten (10) business days of receipt. If the customer declines the agreement, the application will be closed. Prior to commencement of the CESIR, the applicant shall provide the following information to PSEG Long Island:

- i. A complete updated interconnection design package, if there have been any changes to the documents submitted with the application;
- ii. Proof of ~~sSite Ceontrol as per Section II.A.8 and by executing the New York State Standard Site Control Certification Form, provided in Appendix H and Appendix H-1;~~
- iii. The name and phone number and agent letter of authorization (if appropriate) of the individual(s) responsible for addressing technical and contractual questions regarding the proposed system;
- iv. If applicable, advanced payment of the costs associated with the completion of the CESIR; and

- v. Electrical studies as requested by PSEG Long Island to demonstrate that the design is within acceptable limits, inclusive and limited to the following: system fault, relay coordination, flicker, voltage drop, and harmonics. This shall include all relay, communication, and controller set points.

PSEG Long Island may require a three-line diagram for solar photovoltaic (“PV”) and BESS designs proposed on three-phase systems, which shall include detailed information on the wiring configuration at the PCC and an exact representation of the existing utility service.

If PSEG Long Island determines that the detailed interconnection design package provided by the applicant is incomplete or otherwise deficient, PSEG Long Island shall notify the applicant within ten (10) Business Days and provide an explanation of the deficiencies identified and a list of what is required by the applicant. Unless otherwise notified by PSEG Long Island, the CESIR review period begins upon confirmed receipt and acceptance of the applicants interconnection design package and associated fees.

If the applicant fails to provide PSEG Long Island authorization to proceed, CESIR fee, and information requested within thirty (30) Business Days of the request, the application shall be removed from the queue and no further action on the part of PSEG Long Island is required.

STEP 6: PSEG Long Island Completes the CESIR

The CESIR will consist of two parts:

- (1) A detailed review and explanation of the impacts to the LIPA system associated with the interconnection of the proposed system, and
- (2) A detailed review and explanation of the proposed system’s compliance with the applicable criteria set forth below.

A CESIR will be performed by PSEG Long Island to determine if the proposed generation on the circuit results in any protective coordination, fault current, thermal, voltage, power quality, or equipment stress concerns.

The CESIR shall be completed within sixty (60) Business Days of receipt of the information set forth in Step 5. For systems utilizing type-tested equipment, the time required to complete the CESIR may be reduced. PSEG Long Island shall complete the CESIR within sixty (60) Business Days, absent extraordinary circumstances, following authorization, receipt of the CESIR fee, and complete information set forth in Step 5. If the applicant fails to provide PSEG Long Island authorization to proceed, CESIR fee and information requested within thirty (30) Business Days, the interconnection request shall be removed from the queue and no further action on the part of PSEG Long Island is required.

The applicant and PSEG Long Island may agree to allow up to an additional forty (40) Business Days beyond the time specified above for completion of the CESIR, provided that no other application is adversely impacted

Upon completion of the CESIR, PSEG Long Island will provide the following, in writing, to the applicant:

- (1) LIPA system impacts, if any;
- (2) notification of whether the proposed system meets the applicable criteria considered in the CESIR process;
- (3) if applicable, a description of where the proposed system is not in compliance with these requirements;

- (4) detailed description of reasoning and justification for any system upgrades and associated equipment deemed necessary for interconnection of the project;
- (5) a good faith, detailed estimate of the total cost of completion of the interconnection of the proposed system and/or a statement of cost responsibility for any system upgrades and associated equipment deemed necessary for interconnection of the project, which is valid for sixty (60) Business Days; and
- (6) A Qualifying Upgrade Disclosure, if applicable.

Appendix E sets forth the responsibility each applicant shall have with respect to the actual cost of the system upgrades and equipment necessary for the interconnection of the project. PSEG Long Island cost estimates provided in the CESIR shall be detailed and broken down by specific equipment requirements, material needs, labor, overhead, and any other categories or efforts incorporated in the estimate. Contingencies associated with the cost estimates shall not exceed +/- 15%.

STEP 7: Applicant Commits to PSEG Long Island Construction of LIPA's System Modifications.

The applicant and PSEG Long Island will execute a standardized contract for interconnection as set forth in Appendix A and the applicant will provide PSEG Long Island with an advance payment of 30% of PSEG Long Island's estimated costs as identified in Step 6 within the time provided in Section I.D.

PSEG Long Island is not required to procure any equipment or materials, or perform design and engineering work associated with the project, or begin construction until a 30% deposit payment has been received. Progress payments will be required during construction and any over or under recovery will be reconciled and invoiced to the Applicant after Step 10. Invoice payments are due within thirty (30) Business Days of receipt.

The applicant shall provide both an updated three-line diagram and site-specific testing procedures within thirty (30) Business Days of making the 30% deposit payment. For applications that do not require system modifications, a three-line diagram and site-specific testing procedure is required within thirty (30) Business Days after executing the Standardized Interconnection Contract.

STEP 8: Project Construction.

The applicant and PSEG Long Island shall collaborate to identify an in-service date and develop a project construction schedule. The applicant will build the facility in accordance with PSEG Long Island-accepted design and the project schedule. PSEG Long Island will commence construction/installation of system modifications and metering requirements as identified through the CESIR in Step 6. LIPA system modifications will vary in construction time depending on the extent of work and equipment required. The schedule for this work is to be discussed and agreed upon with the applicant in Step 6.

STEP 9: The Applicant's Facility is tested in Accordance with the Standardized Interconnection Requirements.

The verification testing will be performed in accordance with the written test procedures provided in Step 7 and any site-specific requirements identified by PSEG Long Island in Step 6. The final testing will be conducted within ten (10) Business Days of complete installation at a mutually agreeable time, and PSEG Long Island shall be given the opportunity to witness the tests. If PSEG Long Island opts not to witness the test, the applicant will send PSEG Long Island within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the SGIP, PSEG Long Island-accepted design, and the equipment manufacturer's instructions.

STEP 10: Interconnection.

The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 9. In addition, the applicant must have complied with and must continue to comply with the contractual and technical requirements.

STEP 11: Final Acceptance and PSEG Long Island Cost Reconciliation.

Except as provided in Appendix E, final project costs shall be reconciled pursuant to this section. If PSEG Long Island witnessed the verification testing, then, within ten (10) Business Days of the completion of such testing, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the installed DG system, ESS, or Hybrid Project. If PSEG Long Island did not witness the verification testing, then, within ten (10) Business Days of receiving the written test notification from Step 9, PSEG Long Island will either issue to the applicant a formal letter of acceptance for interconnection, or will request that the applicant and PSEG Long Island set a date and time to witness operation of the installed DG system, ESS or Hybrid Project. This witnessed verification testing must be completed within twenty (20) Business Days after being requested. Within ten (10) Business Days of the completion of any such witnessed testing, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the DG system, ESS or Hybrid Project.

At this time, PSEG Long Island shall prepare and submit to the applicant a final reconciliation statement of its actual costs minus any construction advance payments made by the applicant. Within twenty (20) Business Days after delivery of the reconciliation statement, the applicant will receive either a bill for any balance due or a reimbursement for overpayment as determined by PSEG Long Island's reconciliation. The applicant may contest the reconciliation with PSEG Long Island. If PSEG Long Island's final reconciliation invoice states a balance due from the applicant, unless it is challenged by a formal complaint interposed by the applicant, it shall be paid to PSEG Long Island within thirty (30) Business Days or PSEG Long Island reserves the right to lock the generating system offline. If PSEG Long Island's final reconciliation invoice states a reimbursement for overpayment to be paid by PSEG Long Island, unless the reimbursement amount is challenged by a formal complaint interposed by the applicant, it shall be paid to the applicant.

Section I. D. Payment and Construction Milestones

Applicants are responsible for payment of utility system modification cost estimates in accordance with the following rules and deadlines. All project costs will be subject to the provisions of Appendix E, where applicable.

The applicant shall pay PSEG Long Island 30% of the estimated costs within ninety (90) Business Days of receiving the cost estimate from PSEG Long Island. After receiving such payment, PSEG Long Island will provide the applicant a signed executed Standardized Interconnection Agreement via electronic communication. This will be provided within fifteen (15) Business Days for all projects sized five (5) megawatts and under.

If the applicant does not make a payment due under this section in the time required, the application shall be removed from PSEG Long Island's interconnection queue with no further action required of PSEG Long Island. PSEG Long Island will refund any advance payments for services or construction activities that have not been expended should the applicant be removed from PSEG Long Island's interconnection queue. If the costs incurred by PSEG Long Island exceed the advance payments made by the applicant prior to

removal from the interconnection queue, the applicant will receive a bill for any balance due to PSEG Long Island and applicant shall pay PSEG Long Island within thirty (30) Business Days of receipt thereof.

PSEG Long Island is not required to procure any equipment or materials, or perform design and engineering work associated with the project or begin construction until a 30% deposit payment has been received. Progress payments will be required during construction, and any over or under recovery will be reconciled and invoiced to the Applicant after interconnection. Invoice payments are due within thirty (30) Business Days of receipt.

If the applicant does not return the signed contract within the time allowed, the application shall be removed from PSEG Long Island's interconnection queue, and no further action on the part of PSEG Long Island is required.

Within thirty (30) Business Days of receiving the first 30% payment, PSEG Long Island shall provide an initial construction schedule to the applicant (consistent with Appendix K). PSEG Long Island shall commence design work in accordance with its guidance and consider the developer's input on scheduling. If the applicant does not make a payment due under this section in the time required, the application shall be removed from the PSEG Long Island's interconnection queue with no further action required of PSEG Long Island. Within 10 Business Days of completion of design work, PSEG Long Island will provide an updated upgrade cost estimate if the scope of work changed from the CESIR estimate.

If the applicant withdraws or is removed from the interconnection queue at any point after making a payment required under this section, any unspent portions of these payments will be refunded to the applicant consistent with the timelines described in Section I. C, Step 11.

If a local permitting moratorium prevents an applicant from meeting the above timelines, PSEG Long Island may grant affected project applicants an extension. To be granted an extension of the required timelines, the applicant must submit the New York State Standard Moratorium Attestation Form, Appendix I. If applicable, any unused portion of the 30% payment shall be refunded if the project does not move forward after receiving an extension.

If the final acceptance as set out in Section I. C, Step 11 is not completed within twelve (12) months of the date the applicant returns the executed Standardized Interconnection Contract in Appendix A as a result of applicant inactivity, PSEG Long Island has the right to notify the applicant by email or U.S. first class mail with delivery receipt confirmation that the applicant's project will be removed from the PSEG Long Island's interconnection queue if the applicant does not respond within thirty (30) Business Days of the issue of such notification and provide a project status update and/or justification as to why the project should remain in the PSEG Long Island's interconnection inventory for an additional period of time.

Section I. E. Application Process for Energy Storage Systems

Except as provided in this Section, the rules in Sections I.B and I.C shall apply to applications to: construct new Hybrid Projects; construct new stand-alone storage; add an ESS to an existing DG facility; and change the operating mode of an existing Hybrid Project or stand-alone storage facility. Whether an application will be handled under Section I.B or I.C will be determined by the sum of the AC nameplate ratings of all DG facilities and ESS facilities comprising the proposed Hybrid Project

Step 1: The Application

An applicant proposing a Hybrid Project or stand-alone ESS shall complete and submit Appendix J with Appendix F.

The owner of an existing DG facility may apply to add an ESS by submitting completed Appendix J to PSEG Long Island at any time.

For all projects involving ESS, PSEG Long Island shall review the application and respond within the time frames provided in Section I.B or I.C, as applicable.

Following interconnection of a Hybrid Project or a stand-alone ESS, the applicant may apply to PSEG Long Island to change the operating characteristics of the storage component. To initiate review, the applicant shall submit a completed Appendix J specifying the proposed new operating characteristics to PSEG Long Island.

Step 2: Protection and Control Review

When performing screening analysis and system impact studies associated with ESS, operating characteristics including maximum export and import capacity shall be utilized, except that fault current contribution shall be evaluated based on aggregate AC nameplate rating. PSEG Long Island's technical review shall determine whether the proposed facility, operating per the characteristics identified in the application (Appendix J), can be safely and reliably interconnected to LIPA's distribution system. The applicant shall pay the costs for the utility's review in advance.

Following the completion of Step 3 in Section I.B., or upon passing the Preliminary or Supplemental Screening Analysis in Step 4 in Section I.C., based on the application and proposed operating parameters, PSEG Long Island will determine if a Protection and Control Review is required. PSEG Long Island will notify the applicant of this determination. The applicant will have thirty (30) Business Days from the notification to pay the nonrefundable fee for the review, which shall be calculated as \$500 plus \$4/kW capped at \$3,000. PSEG Long Island shall have twenty (20) Business Days to perform the review and provide the results to the applicant, including a description of any modifications to the control systems that PSEG Long Island determines are necessary.

Within ten (10) Business Days of an applicant's request, PSEG Long Island shall discuss the results of the Protection and Control Review. Following the discussion, the applicant will have twenty (20) Business Days to determine whether or not to accept any required modifications to the control system and take the next step in the process as defined in Section I.B or I.C, as applicable, or to withdraw the application.

For all applications relating to ESS, PSEG Long Island's written report of its technical review shall include a completed Attachment I, as defined below, specifying the operating parameters studied for the proposed facility. PSEG Long Island and the applicant shall discuss the listed operating parameters promptly after delivery of the study results to the applicant.

For ESS applications requiring a CESIR, PSEG Long Island will provide the applicant with any additional testing procedures required in connection with the ESS, using the applicant's load management control systems to limit reverse power. PSEG Long Island will provide this information with the CESIR results.

Step 3. Contract and Payment for Utility Construction Costs

An applicant proposing a Hybrid Project, stand-alone storage, or the addition of ESS to an existing DG facility shall execute the Standardized Interconnection Contract for Systems including Energy Storage, and make payment to PSEG Long Island for its estimated construction costs within the time required by Section I.D.

Each contract shall include a completed Attachment I, which shall specify the operating parameters for the interconnected ESS after consultation with the applicant.

An applicant proposing to change the operating characteristics listed in Appendix J for an existing ESS shall sign an amendment to its interconnection agreement and make payment for any PSEG Long Island construction costs within the time required by Section I.D.

Section I. F. Rules for Combining DG Applications

Distributed Generation applications that have been determined to be complete and that meet the following criteria may be combined:

- (a) the applications must be sequential in PSEG Long Island's queue on both the circuit and substation bus, or non-sequential combined applications may proceed with the lower queue position;
- (b) there can be no non-SGIP applications in PSEG Long Island's queue between the applications that propose to aggregate;
- (c) the proposed projects must be located on the same or adjacent parcels;
- (d) both applications must be compensated at the same rate and; and
- (e) the size of the combined projects may not exceed an AC nameplate rating of 5 MW.

If none of the applications has reached the deadline for payment of 30% of the estimated PSEG Long Island construction costs necessary for its interconnection, the applicant(s) may ask PSEG Long Island to perform a technical review of the applications as a combined project. The applicant(s) shall submit its request in writing to PSEG Long Island, which shall cease any ongoing work on the individual applications and notify the applicant(s) within ten (10) Business Days of any additional information that is needed to perform the requested analysis and of the fee that will be charged. PSEG Long Island shall apply any unspent study fees related to the individual applications to the charge for the new study. The applicant(s) shall pay the fee and provide the information sought by PSEG Long Island within ten (10) Business Days of the notification. The construction cost payment due dates for the applications that are proposed to combine will be suspended until a new due date is established pursuant to this Section.

If any of the applications proposed to be combined has made a payment for estimated PSEG Long Island construction costs, the applicant(s) may still submit a request to study them as a combined project as provided above. Any additional payment due dates associated with the applications shall be suspended until a new due date is established. PSEG Long Island shall cease work on the individual applications and shall cancel any procurements that the applicant(s) agree should be cancelled. The applicant(s) shall bear any cost associated with such cancellations. PSEG Long Island shall notify the applicant(s) of any information that is needed to perform the requested analysis and of the fee that will be charged for the study within ten (10) Business Days of receiving the request. The applicant(s) shall pay the fee and provide the information sought by PSEG Long Island within ten (10) Business Days of the notification.

PSEG Long Island shall have sixty (60) Business Days from receipt of the fee and the project information to perform the technical review of the combined applications. PSEG Long Island's report of the results shall provide the information specified in Step 6 of Section I.C to the applicant(s). The applicant(s) may: (1) proceed to construct the combined project; (2) resume the interconnection of the separate applications; or (3) withdraw one or more of the applications. If the applicant(s) selects option (1), payment for the estimated PSEG Long Island construction costs shall be due sixty (60) Business Days after receipt of the results of the technical review. If the applicant(s) selects either option (2) or (3), payment of the construction cost associated with the applications that are to continue to interconnect shall be due within the same time period. If the applicant(s) does not meet these deadlines, the applications shall be deemed withdrawn with no further action required by PSEG Long Island.

Section I. G. Application Process (Study Process) Steps for Systems above 5 MW and less than 10 MW

Applicability:

- i. The Study Process shall be used by an Interconnection Customer proposing to interconnect or modify its Small Generator with LIPA's Distribution System, if the Small Generator, upon interconnection or after modification, is above 5 MW and less than 10 MW.⁵ The Interconnection Studies conducted under these procedures shall consist of analyses designed to identify the Interconnection Facilities and Upgrades required for the reliable interconnection of the Small Generator to the LIPA Distribution System. These Interconnection Studies will be performed in accordance with Applicable Reliability Standards.
- ii. The study process shall determine the appropriate distribution voltage level for the interconnection of the new distributed generation facilities.

STEP 1: Initial Communication from the Potential Applicant.

Communication could range from a general inquiry to a completed application.

STEP 2: The Inquiry is reviewed by PSEG Long Island to Determine the Nature of the Project.

Technical staff from PSEG Long Island discusses the scope of the interconnection with the potential applicant (either by phone, email or in person) to determine what specific information and documents (such as an application, contract, technical requirements, specifications, listing of qualified type- tested equipment/systems, application fee information, applicable rate schedules, and metering requirements) will be provided to the potential applicant. The preliminary technical feasibility of the project at the proposed location may also be discussed at this time. All such information and a copy of the standardized interconnection requirements must be sent to the applicant within three (3) Business Days following the initial communication from the potential applicant, unless the potential applicant indicates otherwise. A PSEG Long Island representative will be designated to serve as the single point of contact for the applicant (unless PSEG Long Island informs the applicant otherwise) in coordinating the potential applicant's project with PSEG Long Island.

STEP 3: Potential Applicant Files an Application.

The potential applicant submits an application to PSEG Long Island. The submittal must include the completed standard Interconnection Request application form, including a copy of equipment certification to UL 1741 as applicable, a three line diagram specific to the proposed system, a letter of authorization (if applicant is agent for the customer), and payment of a non-refundable \$750 application fee. Within five (5) Business Days of receiving the application, PSEG Long Island will notify the applicant of receipt and whether the application has been completed adequately. It is in the best interest of the applicant to provide PSEG Long Island with all pertinent technical information as early as possible in the process. If the required documentation is presented in this step, it will allow PSEG Long Island to perform the required reviews and allow the process to proceed as expeditiously as possible.

⁵ New distributed generation facilities 10 MW and above must connect to LIPA's transmission system and comply with the NYISO Small Generator Interconnection Procedures or Large Generator Interconnection Procedures, as applicable.

STEP 4: Scoping Meeting

4.1 A scoping meeting will be held within ten (10) Business Days after the Interconnection Request is deemed complete, or as otherwise mutually agreed to by the Parties. PSEG Long Island and the Interconnection Customer will bring to the meeting personnel, including system engineers and other resources as may be reasonably required to accomplish the purpose of the meeting.

4.2 The purpose of the scoping meeting is to discuss the Interconnection Request and review existing studies relevant to the Interconnection Request. The Parties shall further discuss whether PSEG Long Island should perform a feasibility study or proceed directly to a system impact study, or a facilities study, or an interconnection agreement. If the Parties agree that a feasibility study should be performed, PSEG Long Island shall provide the Interconnection Customer, as soon as possible, but not later than five (5) Business Days after the scoping meeting, a feasibility study agreement (Appendix P1) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

4.3 The scoping meeting may be omitted by mutual agreement. In order to remain in consideration for interconnection, an Interconnection Customer who has requested a feasibility study must return the executed feasibility study agreement within fifteen (15) Business Days. If the Parties agree not to perform a feasibility study, PSEG Long Island shall provide the Interconnection Customer, no later than five (5) Business Days after the scoping meeting, a system impact study agreement (Appendix Q1) including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study.

STEP 5: Feasibility Study

5.1 The feasibility study shall identify any potential adverse system impacts that would result from the interconnection of the Small Generator.

5.2 A deposit of the lesser of fifty (50%) percent of the good faith estimated feasibility study costs or earnest money of \$10,000 is required from the Interconnection Customer.

5.3 The scope of and cost responsibilities for the feasibility study are described in Appendix P1.

5.4 If the feasibility study shows no potential for adverse system impacts, PSEG Long Island shall send the Interconnection Customer a facilities study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study. If no additional facilities are required, PSEG Long Island shall send the Interconnection Customer an executable interconnection agreement within five (5) Business Days.

5.5 If the feasibility study shows the potential for adverse system impacts, the review process shall proceed to the appropriate system impact study(s).

STEP 6: System Impact Study

6.1 A system impact study shall identify and detail the electric system impacts that would result if the proposed Small Generator were interconnected without project modifications or electric system modifications, focusing on the adverse system impacts identified in the feasibility study, or to study potential impacts, including but not limited to those identified in the scoping meeting. A system impact study shall evaluate the impact of the proposed interconnection on the reliability of the electric system.

6.2 If no transmission system impact study is required, but potential electric power distribution system adverse system impacts are identified in the scoping meeting or shown in the feasibility study, a distribution system impact study must be performed. PSEG Long Island shall send the Interconnection Customer a distribution system impact study agreement (Appendix Q1) within fifteen (15) Business Days of transmittal of the feasibility study report, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or following the scoping meeting if no feasibility study is to be performed.

6.3 In instances where the feasibility study or the distribution system impact study shows potential for transmission system adverse system impacts, within five (5) Business Days following transmittal of the study report, PSEG Long Island shall send the Interconnection Customer a transmission system impact study agreement, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, if such a study is required.

6.4 If a transmission system impact study is not required, but electric power distribution system adverse system impacts are shown by the feasibility study to be possible and no distribution system impact study has been conducted, PSEG Long Island shall send the Interconnection Customer a distribution system impact study agreement.

6.5 If the feasibility study shows no potential for transmission system or distribution system adverse system impacts, PSEG Long Island shall send the Interconnection Customer either a facilities study agreement (Appendix R1), including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the study, or an executable interconnection agreement, as applicable.

6.6 In order to remain under consideration for interconnection, the Interconnection Customer must return executed system impact study agreements, if applicable, within thirty (30) Business Days.

6.7 A deposit of the good faith estimated costs for each system impact study will be required from the Interconnection Customer.

6.8 The scope of and cost responsibilities for a system impact study are described in the attached system impact study agreement.

STEP 7: Facilities Study

7.1 Once the required system impact study(s) is completed, a system impact study report shall be prepared and transmitted to the Interconnection Customer along with a facilities study agreement within five (5) Business Days, including an outline of the scope of the study and a non-binding good faith estimate of the cost to perform the facilities study. In the case where one or both impact studies are determined to be unnecessary, a notice of the fact shall be transmitted to the Interconnection Customer within the same timeframe.

7.2 In order to remain under consideration for interconnection, or, as appropriate, in PSEG Long Island's interconnection queue, the Interconnection Customer must return the executed facilities study agreement or a request for an extension of time within thirty (30) Business Days.

7.3 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s).

7.3.1 PSEG Long Island shall determine whether the interconnection impacts the New York Transmission System and requires System Upgrade Facilities.

7.3.2 The Interconnection Customer shall be responsible for the cost of any System Upgrade Facilities only if PSEG Long Island, based on an Interconnection Study, determines (i) that System Upgrade Facilities are necessary to accommodate the Interconnection Request.

If the Interconnection Customer elects Capacity Resource Interconnection Service, and its Small Generator is larger than 5 MW, it will be evaluated, by the NYISO, as a member of the next Class Year to determine the Interconnection Customer's responsibility for System Deliverability Upgrades in accordance with the NYISO interconnection process.

7.4 Design for any required Interconnection Facilities and/or Upgrades shall be performed under the facilities study agreement. PSEG Long Island may contract with consultants to perform activities required under the facilities study agreement. The Interconnection Customer and PSEG Long Island may agree to allow the Interconnection Customer to separately arrange for the design of some of the Interconnection Facilities. In such cases, facilities design will be reviewed and/or modified prior to acceptance by PSEG Long Island, under the provisions of the facilities study agreement. If the Parties agree to separately arrange for design and construction, and provided security and confidentiality requirements can be met, PSEG Long Island shall make sufficient information available to the Interconnection Customer in accordance with confidentiality and critical infrastructure requirements to permit the Interconnection Customer to obtain an independent design and cost estimate for any necessary facilities.

7.5 A deposit of the good faith estimated costs for the facilities study will be required from the Interconnection Customer.

7.6 The scope of and cost responsibilities for the facilities study are described in the attached facilities study agreement.

7.7 Upon completion of the facilities study, and with the agreement of the Interconnection Customer to pay for Interconnection Facilities and Upgrades identified in the facilities study, PSEG Long Island shall provide the Interconnection Customer an executable interconnection agreement within five (5) Business Days.

STEP 8: Applicant Commits to PSEG Long Island Construction of LIPA's System Modifications.

The applicant shall pay PSEG Long Island 30% of the estimated costs within ninety (90) Business Days of receiving the cost estimate as identified in Step 7 from PSEG Long Island. ~~After receiving the payment,~~ PSEG Long Island will provide the applicant an ~~signed executed Standardized~~ Interconnection Agreement as set forth in Appendix M via electronic communication. The applicant and PSEG Long Island will execute an interconnection agreement, ~~as set forth in Appendix M.~~ The applicant will sign and return the contract to the PSEG Long Island utility within ninety (90) Business Days. If the applicant does not return the signed contract within this period, the application shall be removed from PSEG Long Island's interconnection queue, and no further action on the part of PSEG Long Island is required.

If the applicant does not make a payment due under this section in the time required, the application shall be removed from the PSEG Long Island's interconnection queue with no further action required of PSEG Long Island.

STEP 9: Project Construction.

The applicant will build the facility in accordance with PSEG Long Island-accepted design. PSEG Long Island will commence construction/installation of system modifications and metering requirements as identified in Step 7. LIPA system modifications will vary in construction time depending on the extent of work and equipment required. The schedule for this work is to be discussed and agreed upon with the applicant in Step 7.

STEP 10: The Applicant's Facility is tested in Accordance with the Standardized Interconnection Requirements.

The verification testing will be performed in accordance with the written test procedure provided in Step 5 and any site-specific requirements identified by PSEG Long Island in Step 6. The final testing will be conducted within ten (10) Business Days of complete installation at a mutually agreeable time, and PSEG Long Island shall be given the opportunity to witness the tests. If PSEG Long Island opts not to witness the test, the applicant will send PSEG Long Island within five (5) days of the test a written notification, certifying that the system has been installed and tested in compliance with the SGIP, PSEG Long Island-accepted design, and the equipment manufacturer's instructions.

STEP 11: Interconnection.

The applicant's facility will be allowed to commence parallel operation upon satisfactory completion of the tests in Step 10. In addition, the applicant must have complied with and must continue to comply with the contractual and technical requirements.

STEP 12: Final Acceptance and PSEG Long Island Cost Reconciliation.

If PSEG Long Island witnessed the verification testing, then, within ten (10) Business Days of the test, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system. If PSEG Long Island did not witness the verification testing, then, within ten (10) Business Days of receiving the written test notification from Step 9, PSEG Long Island will either issue to the applicant a formal letter of acceptance for interconnection, or will request that the applicant and PSEG Long Island set a date and time for an on-site verification and witness operation of the system. This joint on-site verification must be completed within twenty (20) Business Days after being requested. Within ten (10) Business Days of the completion of the on-site verification, PSEG Long Island will issue to the applicant either a formal letter of acceptance for interconnection or a detailed explanation of the deficiencies in the system. PSEG Long Island will reconcile its actual costs related to the applicant's project against the payments made by the applicant. The applicant will receive either a bill for any balance due or a reimbursement for overpayment as determined by PSEG Long Island's reconciliation after PSEG LI finishes the final reconciliation process.

If the final acceptance as set out in Section I. G, Step 12 is not completed within twelve (12) months from the date the applicant returns the executed Interconnection Agreement Appendix M, PSEG Long Island has the right to notify the applicant of inactivity by email or U.S. first class mail with delivery receipt confirmation. The applicant's project will be removed from the PSEG Long Island's interconnection queue if the applicant does not respond within thirty (30) Business Days from the issuance of such notification and provide a project status update and/or justification as to why the project should remain in the PSEG Long Island's interconnection inventory for an additional period of time.

Section I. H. Web-Based Standard Interconnection Application and Information (If available)

PSEG Long Island shall implement and maintain a web-based system to provide customers and contractors current information regarding the status of their SGIP application process. The system shall be customer specific and post the current status of the SGIP process. At a minimum the following content shall be provided:

- (1) The applicant's name and project/application identification number.
- (2) Description of the project, including at a minimum, the project's type (energy source), size, metering, and location.
- (3) SGIP project application status, including all the steps completed and to be completed, along with corresponding completion/deadline dates associated with each step.
 - a. If the next action is to be taken by PSEG Long Island, the expected date that action will be completed.
 - b. If the next action is to be taken by the applicant, what exactly is required and a contact for more information.
- (4) Information regarding any outstanding information request made by PSEG Long Island of the applicant, and
- (5) The status of all amounts paid and/or due to PSEG Long Island by the applicant.

Access shall be available for the customer and their contractor, such that both can access the information. The web site must be, however, secure and private from unauthorized access.

The PSEG Long Island web site shall also provide the ability for applicants to submit their application for interconnection via the web. The web based application process will be consistent with the SGIP and will include the ability to attach associated documentation or drawings associated with each project. Electronic signatures will be accepted by PSEG Long Island on associated documentation for this process.

Section I. J. Modifications

Applicants may propose a Modification at any time by submitting a request to PSEG Long Island through PSEG Long Island's on-line application portal and/or via email. Submission of such a request will not suspend any deadlines applicable to the pending application. PSEG Long Island will review the request to determine whether the proposed Modification is a Material Modification and provide its determination to the applicant within ten (10) Business Days, unless PSEG Long Island first notifies the applicant that additional information is needed to make the evaluation. In that case, PSEG Long Island will have ten (10) Business Days from receipt of the additional information to determine whether the proposed Modification is a Material Modification.

A Material Modification to a project will require a new application, a new queue position, and removal of the original application if the applicant elects to move forward with the modification (if not yet interconnected).

PSEG Long Island reserves the right to make the final determination as to whether a proposed change is a Material Modification under its SGIP.

When making the materiality determination, PSEG Long Island will consider the PSEG Long Island posted Guidance Document on DER Material Modifications Guidance, as it may be modified by PSEG Long Island from time to time, and will provide the applicant with a written explanation of its finding. At the applicant's request, PSEG Long Island will meet with the applicant to discuss the materiality determination.

The document can be found at the following link:

<https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/sgip>

A Modification that is not determined to be material may still require evaluation and acceptance by PSEG Long Island through the process described below. The applicant is obligated to pay any necessary study costs of the evaluation. PSEG Long Island will notify the applicant of any additional funding and/or information that may be required to evaluate the Modification within five (5) Business Days of providing the materiality determination. The applicant shall have ten (10) Business Days to provide any requested information and pay the associated fees or choose to remain with the original interconnection application with associated uninterrupted timeline.

For Projects under 5 Megawatts:

- If the proposed change is not a Material Modification, and is proposed prior to the start of a CESIR, PSEG Long Island will study the modified project in the CESIR process.
- If the proposed change is not a Material Modification and is proposed following the start of a CESIR but no later than forty (40) Business Days after the start date, PSEG Long Island may have an additional forty (40) Business Days to complete the CESIR incorporating the change.
- If the proposed change is not a Material Modification and is proposed at a later date, or after completion of a CESIR, the change may necessitate further study and will require mutual agreement between LIPA and the applicant. PSEG Long Island retains the right to determine the extent of evaluation necessary but will endeavor to complete any necessary study within a timeframe no longer than a standard CESIR. The applicant will be responsible for any costs related to the change.

For Projects 5 Megawatts and larger:

- If the proposed change is not a Material Modification, and is proposed prior to the start a scoping meeting, PSEG Long Island will complete the study on the modified project.
- If the proposed change is not a Material Modification and is proposed at a later date, or after completion of all studies, the change may necessitate further study and will require mutual agreement between LIPA and the applicant. PSEG Long Island retains the right to determine the extent of evaluation necessary but will endeavor to complete any necessary study within a timeframe no longer than a standard study time frame. The applicant will be responsible for any costs related to the change.

Section II. Interconnection Requirements

Section II.A. Provisions that Apply to All Interconnection Requests

All interconnection requests made pursuant to these Procedures shall be subject to the following terms:

1. **Compliance with Deadlines:** PSEG Long Island shall make reasonable efforts to meet all time frames provided in these procedures unless PSEG Long Island and the Interconnection Customer agree to a different schedule. If PSEG Long Island cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.
2. **Meter Installation:** Any metering necessitated by the use of the Small Generator shall be installed at the Interconnection Customer's expense in accordance with PSEG Long Island's specifications.
3. **Queue Position:** PSEG Long Island shall maintain a single queue for requests to interconnect to LIPA's Distribution System by a Small Generator. PSEG Long Island shall assign a Queue Position based upon the date- and time-stamp of the Interconnection Request. The Queue Position of each Interconnection Request will be used to determine the cost responsibility for the Upgrades necessary to accommodate the interconnection. At PSEG Long Island's option, Interconnection Requests may be studied serially or in clusters for the purpose of the system impact study.
4. **Withdrawal of Application:** The applicant may withdraw its application at any time by written notice of such withdrawal to PSEG Long Island. Such withdrawal will not relieve the applicant from any costs incurred by PSEG Long Island to process the application up to the time of withdrawal.
5. **Effect of Modification to Machine Data or Equipment Configuration:** Any modification to machine data or equipment configuration or to the interconnection site of the Small Generator not agreed to in writing by PSEG Long Island and the Interconnection Customer may be deemed a withdrawal of the Interconnection Request and may require submission of a new Interconnection Request, unless proper notification of each Party by the other and a reasonable time to cure the problems created by the changes are undertaken.
6. **Infrastructure Security:** Infrastructure security of electric system equipment and operations and control hardware and software is essential to ensure day-to-day reliability and operational security. PSEG Long Island complies with the recommendations offered by the President's Critical Infrastructure Protection Board (established by Executive Order 13231 of October 16, 2001) and best practice recommendations from the electric reliability authority. All small generators interconnecting to LIPA's facilities shall meet applicable standards for electric system infrastructure and operational security, including physical, operational and security practices.

In addition to any other requirements set forth in the SGIP regarding confidential information, Interconnection Customer shall comply with PSEG Long Island's requirements, as they may change from time to time, for protecting and maintaining the confidentiality of Critical Energy Infrastructure Information, as defined in 18 CFR Section

388.113, as it may be amended from time to time, and execute such Non-Disclosure Agreements as may be required by PSEG Long Island.

7. **NYISO Matters:**

- a. PSEG Long Island shall notify the NYISO of all interconnection requests over 2 MW that are determined to have an impact on the New York Transmission System and require System Upgrade Facilities as determined pursuant to Section II of these procedures.
- b. A new Small Generator whose output may be sold into the wholesale energy, capacity and ancillary services markets operated by the NYISO must make an election as to whether it will interconnect on a minimum interconnection basis pursuant to Energy Resource Interconnection Service or whether it will elect Capacity Resource Interconnection Service and satisfy the NYISO Deliverability Interconnection Standard.
- c. PSEG Long Island shall notify the NYISO of all interconnection requests electing Capacity Resource Interconnection Service and coordinate with the NYISO regarding necessary studies, procedures and standards applicable to such request.

8. **Site Control:** ~~Documentation of site control~~ Site Control shall mean: (1) documentation of the requisite control of the real property where the facility will be sited (in the form required by subsections a, b, or c below); and (2) executed New York State Standard Acknowledgement of Property Owner Consent Form and Site Control Certification Form, provided in Appendix H and Appendix H-1, unless otherwise subject to the exception provided below. Evidence of Site Control must be submitted with the Interconnection Request. ~~Site control may be demonstrated through:~~

- a. Ownership of, a leasehold interest in, or a right to develop a site for the purpose of constructing the Small Generator;
- b. An option to purchase or acquire a leasehold site for such purpose; or
- c. Exclusivity or other business relationship between the Interconnection Customer and the entity having the right to sell, lease, or grant the Interconnection Customer the right to possess or occupy a site for such purpose.

Exception: Applicant does not need to execute Appendix H and Appendix H-1 in the following cases:

- a. The Applicant is the owner of real property where the project will be sited and can demonstrate the ownership of the property; or;
- b. The Applicant submits evidence to the Utility's satisfaction that the interconnecting customer holds the requisite documentation demonstrating site control of the physical location where the project will be situated and has obtained all required property owner/lessor consents for the installation of the distributed generation facility at the project site (for example: Landlord Estoppel Certificate).

9. **Disputes:** The Parties agree to use their commercially reasonable efforts to settle promptly any disputes or claims arising out of or relating to this SGIP through negotiation conducted in good faith between executives having authority to reach such a settlement. Either Party, may, by written notice to the other Party, refer any such dispute or claim for advice or

resolution to mediation by a suitable mediator. The mediator shall be chosen by the mutual agreement of the Parties. If the Parties are unable to agree on a mediator each Party shall designate a qualified mediator who, together with the mediator designated by the other, shall choose a single mediator for the particular dispute or claim. If the mediator chosen is unable, within thirty (30) days of such referral to reach a determination, then either party may exercise whatever rights and remedies it may have in equity or law consistent with the terms of these procedures.

- a. Unless otherwise agreed to in writing or prohibited by applicable law, the Parties shall continue to provide service, honor all commitments under these procedures, and continue to make payments in accordance with these procedures during the course of any dispute resolution under this Article and during the pendency of any action at law or in equity relating hereto.
- b. Each Party agrees to conduct all negotiations in good faith and will be responsible for one-half of any costs paid to neutral third-parties.

Upon execution of a contract for interconnection between the Interconnection Customer and PSEG Long Island as set forth in Appendices A and M (as applicable), the dispute resolution terms of such contract shall govern all disputes between the parties to the interconnection contract.

10. Confidentiality

a. Claim of Confidentiality

- i. In connection with the application procedures and interconnection review requirements under Sections I and II, the Parties may exchange information that is deemed to be confidential whether such information is provided in written, oral, electronic or other format (“Confidential Information”). The Party disclosing such Confidential Information is referred to herein as the “Disclosing Party” and the Party receiving such Confidential Information is referred to herein as the “Receiving Party.” The Disclosing Party shall mark all written Confidential Information as “Confidential,” “Proprietary” or the like and in the case of Confidential Information that is communicated orally, the Disclosing Party shall within thirty (30) days follow up such communication with a writing addressed to the Receiving Party generally describing such information and identifying it as Confidential Information. The Parties acknowledge that all information disclosed by the Interconnection Customer in connection with costs, pricing or operation of the Small Generator shall be treated as Confidential Information whether or not such information is marked or identified as Confidential Information. PSEG Long Island shall not disclose such Confidential Information without Interconnection Customer’s written consent, which may be withheld in Interconnection Customer’s sole discretion, unless PSEG Long Island is otherwise required by law to make such disclosure.
- ii. The Receiving Party shall protect the Confidential Information from disclosure to third parties consistent with the provisions of this Section II.A.10 and subject to applicable law, provided however, a Receiving Party may disclose Confidential Information (a) to its Affiliates, Lenders, employees, agents or representatives of such Receiving Party, where such Affiliate, Lender, employee, agent or

representative expressly agrees to be bound by the terms of this Section II.A.10 and provided further that the Receiving Party shall be liable for any breach by its Affiliates, Lenders, employees, agents or representatives, or (b) if the Receiving Party is PSEG Long Island, the Receiving Party may disclose Confidential Information to the extent required by the cost-allocation procedures detailed in Appendix E.

- iii. It is further understood and agreed that money damages would not be sufficient remedy for any breach of this Section II.A.10, and that if a Party breaches this Section II.A.10, the Party disclosing Confidential Information to such breaching Party shall be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach. The breaching Party agrees to waive any requirement for the posting of a bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Section II.A.10 but shall be in addition to all other remedies available at law or equity. In the event of any legal action based upon or arising out of this Section II.A.10, the prevailing Party in such action shall be entitled to recover reasonable attorney's fees and costs from the other Party.
- b. Compliance with Law. If either Party is required by law to disclose Confidential Information of the other Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise), the Party required to make such disclosure will (i) notify the other Party and provide the other Party the opportunity to review the Confidential Information, and (ii) provide the other Party the opportunity to seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained or is not pursued within a reasonable period of time, the Party required to make disclosure or such Party's representatives will furnish only that portion of the Confidential Information that it is legally required to disclose and the Party required to make disclosure will request that confidential treatment be accorded the Confidential Information by relevant third parties.
- c. Compliance with the Freedom of Information Law. If PSEG Long Island is requested by a third party to disclose Confidential Information pursuant to the Freedom of Information Law ("FOIL"), PSEG Long Island will (i) notify Generator of the request and provide Generator the opportunity to review the Confidential Information; (ii) provide Generator the opportunity to provide information regarding the need for confidential treatment; (iii) evaluate the third party's request for disclosure and Generator's request for confidential treatment; and (iv) determine if the Confidential Information is subject to disclosure under FOIL. If PSEG Long Island determines that the Confidential Information is subject to disclosure, it will provide prompt written notice of such determination to Generator so that Generator may seek a protective order or other appropriate remedy. If Generator does not obtain a protective order or no formal proceeding has been initiated by Generator within a reasonable period of time after PSEG Long Island provides notice to Generator of its intent to make public the Confidential Information, then PSEG Long Island may disclose such information with no liability or further obligation to Generator.
- d. Treatment of Otherwise Publicly Available Documents. Notwithstanding anything to the contrary in this Article, neither Party shall be required to hold confidential any information that (i) becomes publicly available other than through disclosure by the Receiving Party; (ii) is independently developed by the Receiving Party; or (iii) becomes available to the Receiving Party without restriction from a third party, provided that such third party is not

bound by a confidentiality agreement with the Disclosing Party or its representatives. Should any person or entity seek to legally compel a Receiving Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise) to disclose any Confidential Information, the Receiving Party will provide the Disclosing Party prompt written notice so that the Disclosing Party may seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained, the Receiving Party or the Receiving Party's representative will furnish only that portion of the Confidential Information that it is legally required to disclose and the Receiving Party will request that confidential treatment be accorded the Confidential Information by relevant third parties.

- e. Term of Confidentiality. The obligations set forth in this Article shall survive expiration or termination of this Agreement.
11. **Application of Industry Electrical Standards.** Where the interconnection requirements set forth in Sections I and II refer to an industry electrical standard, including standards adopted or promulgated by Underwriters Laboratories (UL), the Institute of Electrical and Electronics Engineers (IEEE) and American National Standards Institute (ANSI) the applicable standard will be the version of that designated standard that is in effect on the date upon which the Interconnection Customer submits, and PSEG Long Island receives, a completed application for interconnection with PSEG Long Island's Distribution System.
12. **Standard Contract Terms.** Standard contract terms have been established for the contract for interconnection of a Small Generator between 0 kW and 5 MW set forth in Appendix A and the interconnection agreement for a Small Generators sized more than 5 MW and less than 10 MW set forth in Appendix M. The contract for interconnection is a standard form that will be executed by PSEG Long Island and the Interconnection Customer in the form set forth in Appendix A and only supplemented as noted within such form with information specific to the Small Generator and Interconnection Customer.

With respect to the execution of an interconnection agreement for a Small Generator more than 5 MW and less than 10 MW as set forth in Appendix M, any technical standards and requirements set forth in such agreement shall not be modified to be inconsistent with requirements of Sections I and II herein. With respect to all other terms of the interconnection agreement, modifications of such non-technical terms shall be limited to those necessary to reflect any specific circumstances of the proposed Small Generator (such as the status of the Interconnection Customer as a governmental entity). PSEG Long Island reserves all rights and is under no obligation to accept requests for modification of the standard contract terms set forth in Appendix A or M.

The obligations under the Appendix A (Long Island Lighting Company D/B/A LIPA Standardized Contract for Interconnection of Distributed Generation and/or Energy Storage Equipment with Capacity of 5 MW or Less Connected in Parallel with the LIPA Distribution Systems), shall be binding on any successor owner of the Unit. If the Unit is sold LIPA may require the new Unit owner to sign an amended agreement.

Section II.B. Design Requirements

Common

The generator-owner shall provide appropriate protection and control equipment, including a protective device that utilizes an automatic disconnect device that will disconnect the generation in the event that the portion of the LIPA System that serves the generator is de-energized for any reason or for a fault in the generator-owner's system. The generator-owner's protection and control equipment shall be capable of automatically disconnecting the generation upon detection of an islanding condition and upon detection of a LIPA system fault.

The type and size of the generation facility is based on electrical generator nameplate data (AC output).

The generator-owner's protection and control scheme shall be designed to ensure that the generation remains in operation when the frequency and voltage of the LIPA System is within the limits specified by the required operating ranges. Upon request from PSEG Long Island, the generator-owner shall provide documentation detailing compliance with the requirements set forth in this document.

The specific design of the protection, control and grounding schemes will depend on the size and characteristics of the generator-owner's generation, as well the generator-owner's load level, in addition to the characteristics of the particular portion of LIPA's system where the generator-owner is interconnecting.

The generator-owner shall have, as a minimum, an automatic disconnect device(s) sized to meet all applicable local, state, and federal codes and operated by over and under voltage and over and under frequency protection. For three-phase installations, the over and under voltage function should be included for each phase and the over and under frequency protection on at least one phase. All phases of a generator or inverter interface shall disconnect for voltage or frequency trip conditions sensed by the protective devices. Voltage protection shall be wired phase to ground for single phase installations and for applications using wye grounded-wye grounded service transformers.

The settings for single-phase and three-phase applications using wye grounded-wye grounded service transformers or wye grounded-wye grounded isolation transformers are listed in PSEG Long Island's Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA's Distribution System. For applications using other transformer connections, a site-specific review will be conducted by PSEG Long Island.

The requirements set forth in this document are intended to be consistent with those contained in IEEE STD 1547, Standard for Interconnecting Distributed Resources with Electric Power Systems. The requirements in IEEE STD 1547 above and beyond those contained in this document shall be followed.

Please refer to PSEG Long Island's Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA's Distribution System for technical requirements for interconnection of DG in parallel with LIPA's Distribution System. Applicant shall comply with PSEG Long Island's Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA's Distribution System document, as it may be modified by LIPA from time to time. The document can be found at the following link:

<https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/sgip>

Interconnection Inventory

PSEG Long Island periodically provides information to the NYS Department of Public Service regarding PSEG Long Island's SGIP inventory.

Section III. Glossary of Terms

Affected System: An electric system, other than LIPA's Transmission System, that may be affected by the proposed interconnection.

Applicable Reliability Standards: The applicable criteria, requirements and guidelines of the North American Electric Reliability Council, the Northeast Power Coordinating Council, the New York State Reliability Council and related and successor organizations as well as the reliability criteria, requirements and guidelines adopted by PSEG Long Island and/or LIPA.

Automatic Disconnect Device: An electronic or mechanical switch used to isolate a circuit or piece of equipment from a source of power without the need for human intervention.

Battery Energy Storage System ("BESS"): A commercially-available mechanical, electrical, or electro-chemical means to store and release electrical energy, using battery chemistries for grid-scale applications (e.g., lithium-ion), and its associated electrical inversion device and control functions that may stand-alone or be paired with a distributed generator at a point of common coupling. BESS's shall comply with all ESS rules and requirements, unless otherwise specifically accepted.

Business Day: Monday through Friday, excluding PSEG Long Island holidays.

Capacity Resource Interconnection Service: The service provided to interconnect generating facilities in accordance with the NYISO Deliverability Interconnection Standard; as such term is defined and set forth in Attachment S of the NYISO OATT, in order to qualify such generator to be an installed capacity supplier to the NYISO wholesale capacity markets.

Capital Investment Plan ("CIP"): LIPA system upgrades that are identified in LIPA's annual capital plan. Relevant upgrade information will be made available to authorized applicants subject to appropriate information security/confidentiality procedures.

Cease to Energize: Cessation of energy flow capability

Coordinated Electric System Interconnection Review ("CESIR"): Any studies performed by PSEG Long Island to ensure that the safety and reliability of the electric grid with respect to the interconnection of distributed generation as discussed in this document.

Dedicated Transformer: A transformer with a secondary winding that serves only one customer.

Developer: The applicant or the contractor identified in Appendix F as the agent for the customer. A single developer includes all legal entities associated or affiliated with a given company ("Affiliates") where Affiliates means any person controlling, controlled by, or under common control with, any other person; where "control" shall mean the ownership of, with right to vote, 50 percent or more of the outstanding voting securities, equity, membership interests, or equivalent, of such person.

Direct Transfer Trip: Remote operation of a circuit breaker by means of a communication channel.

Disconnect (verb): To isolate a circuit or equipment from a source of power. If isolation is accomplished with a solid-state device, "Disconnect" shall mean to cease the transfer of power.

Disconnect Switch: A mechanical device used for isolating a circuit or equipment from a source of power.

Distributed Energy Resources (“DER”): Energy sources that consist of distributed generation facilities or energy storage systems or any combination thereof.

Distributed Generation (“DG”): Generation facilities and Energy Storage Systems supplementing on-site load or non-centralized electric power production facilities interconnected at the distribution side of an electric power system.

Distribution System: LIPA's facilities and equipment used to transmit electricity to ultimate usage points such as homes and industries directly from nearby generators or from interchanges with higher voltage transmission networks which transport bulk power over longer distances. Voltage levels at which Distribution Systems operate differ among areas.

Distribution Upgrades: The additions, modifications, and upgrades to LIPA's Distribution System at or beyond the Point of Interconnection to facilitate interconnection of the Small Generator and render the transmission service necessary to effect the Interconnection Customer's wholesale sale of electricity in interstate commerce. Distribution Upgrades do not include Interconnection Facilities.

Draw-out Type Circuit Breaker: Circuit breakers that are disconnected by physically separating, or racking, the breaker assembly away from the switchgear bus.

Electric Power System (“EPS”): Refers to LIPA’s electric power system used to provide transmission and/or distribution services to its customers.

Energy Storage System (“ESS”): A commercially-available mechanical, electrical or electro-chemical means to store and release electrical energy, and its associated electrical inversion device and control functions that may stand-alone or be paired with a distributed generator at a point of common coupling.

Energy Resource Interconnection Service: The service provided to interconnect generating facilities on a minimum interconnection standard basis which enables the delivery of energy and ancillary services from the Small Generator into the NYISO wholesale markets.

Farm Waste, Net Meter, Farm Applicant: A farm applicant who is proposing to install a farm waste anaerobic digester generating system, not to exceed 1 MW, at a farm, per the requirements of LIPA Tariff for Electric Service.

Force Majeure Event: "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: terrorism, acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this procedure, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected

duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this procedure, other than the obligation to make payments then due or becoming due under this procedure, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible.

Fuel Cell, Net Meter, Residential Applicant: A residential applicant who is proposing to install a fuel cell electric generating system located and used at the applicant's premises, not to exceed a combined rated capacity of not more than 10 kW, per the requirements of LIPA Tariff for Electric Service.

Fuel Cell, Net Meter, Non-Residential Applicant: A non-residential applicant who is proposing to install a fuel cell electric generating system located and used at the applicant's premises, not to exceed a combined rated capacity of not more than 2 MW, per the requirements of LIPA Tariff for Electric Service.

Generator-Owner: An applicant to operate on-site power generation equipment in parallel with the LIPA grid per the requirements of this document.

Good Utility Practice: Any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the State of New York during the term of this Agreement, or any of the practices, methods or acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish the desired results at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to delineate acceptable practices, methods or acts generally accepted by a significant portion of the electric utility industry operating in the State of New York.

Hosting Capacity: The amount of distributed energy that can be interconnected without requiring electric infrastructure upgrades or adversely affecting power quality or reliability under current configurations.

Hybrid Project: A facility that operates, or is planned to operate, as a distributed generator paired with an energy storage system at a point of common coupling.

Interconnection Customer: The owner of the Unit or any entity that proposes to interconnect with LIPA's Distribution System.

Interconnection Facilities: The equipment and facilities on LIPA's system necessary to permit operation of the Unit in parallel with LIPA's system.

Interconnection Request: The Interconnection Customer's request, in accordance with the SGIP, to interconnect a new Small Generator, or to increase the capacity of, or make a Material Modification to the operating characteristics of, an existing Small Generator that is interconnected with LIPA's Transmission System.

Interconnection Study: The procedure for studying an Interconnection Request that includes CESIR study, Feasibility Study, System Impact Study, and/or Facilities Study.

Islanding: A condition in which a portion of the LIPA System that contains both load and distributed generation is isolated from the remainder of the LIPA System. (Adopted from IEEE 929.)

LIPA System: The electric transmission and distribution system owned by LIPA and operated by PSEG Long Island and consisting of all real and personal property, equipment, machinery, tools and materials, and other similar items relating to the transmission and distribution of electricity to PSEG Long Island's customers.

LIPA Transmission System: The facilities and equipment owned by LIPA, and operated by PSEG Long Island that are used to provide transmission service.

Material Modification: A Modification to a facility that may have adverse impacts on subsequently queued applications in the interconnection queue, or any Modification described below (regardless of impact to a queued project):

1. A change in the physical location of the DER such that the Property Owner Consent Form or Site Control Certification Form as required by the SGIP is no longer valid.
2. A change in the PCC to a location on a different line segment or different distribution feeder for projects interconnecting to LIPA's System.
3. An increase in the nameplate kVA or kW rating of the originally proposed distributed generation facility or energy storage system of more than 2%.

An additional distributed generation or energy storage system (other than the 2% increase in nameplate in item 3 above) not disclosed in the original application, where a separate and distinct distributed generation facility or energy storage system already exists behind the same proposed PCC. This would include existing non-disclosed distributed generation or energy storage systems or a request for additional distributed generation or energy storage systems at the project site.

An additional distributed generation or energy storage system (other than the 2% increase in nameplate in item 3 above) not disclosed in the original application, where a separate and distinct distributed generation facility or energy storage system already exists behind the same proposed PCC. This would include existing non-disclosed distributed generation or energy storage systems or a request for additional distributed generation or energy storage systems at the project site.

Maximum Export: The maximum export capacity of an Energy Storage System to the distribution grid at the PCC communicated by the Applicant and studied as such by PSEG Long Island per its review of the impacts on the LIPA System based on the operating characteristic of the Energy Storage System.

Maximum Import: The maximum import capacity of an Energy Storage System from the distribution grid at the PCC communicated by the Applicant and studied as such by PSEG Long Island per its review of the impacts on the LIPA System based on the operating characteristic of the Energy Storage System.

Micro-Combined Heat and Power, Net Meter, Residential Applicant: A residential applicant who is proposing to install a micro-combined heat and power (Micro-CHP) generating system located and used at the applicant's premises, not to exceed 10 kW, per the requirements of LIPA Tariff for Electric Service.

Micro-Hydroelectric, Net Meter, Residential Applicant: A residential applicant who is proposing to install a micro-hydroelectric generating equipment located and used at the applicant's premises, not to exceed 25 kW, per the requirement of LIPA Tariff for Electric Service.

Micro-Hydroelectric, Net Meter, Non-Residential Applicant: A non-residential applicant who is proposing to install a micro-hydroelectric generating equipment located and used at the applicant's premises, not to exceed 2 MW, per the requirement of LIPA Tariff for Electric Service.

Mobilization Threshold: The minimum percentage of a Qualifying Upgrade cost that must be funded by Participating Projects to trigger PSEG Long Island to begin the construction process for the Qualifying Upgrade.

Modification: A change to the ownership, equipment, equipment ratings, equipment configuration, or operating characteristics* of the facility, or to schedules* associated with the facility as described in the application.

**NOTE: Modifications that alter operating characteristics or schedules may be deemed material. Please consult PSEG Long Island for review and resolution.*

Multi-Value Distribution (“MVD”): A transformer bank installation or replacement identified by PSEG Long Island in the Capital Investment Plan as a Multi-Value Distribution project.

Net Metering Rules: LIPA’s Tariff for Electric Service leaves 34A through 34H, and all other provisions of the LIPA Tariff for Electric Service that apply to net metering.

New York State Transmission System: New York State Transmission System shall mean the entire New York State electric transmission system, which includes (i) the Transmission Facilities under ISO Operational Control; (ii) the Transmission Facilities Requiring ISO Notification; and (iii) all remaining transmission facilities within the New York Control Area.

Participating Project: A Triggering Project or a Sharing Project that benefits from and shares costs of a Qualifying Upgrade. A Participating Project must be greater than 50 kW AC nameplate rating in size but no greater than 5 MW AC nameplate rating. Where Participating Projects are projects all proposed by the same developer, within a six-month period, such projects must be greater than 50 kW AC nameplate rating in aggregate.

PSEG Long Island: Long Island Electric Utility Service LLC, a wholly owned subsidiary of PSEG Long Island LLC, acting as agent for LIPA. PSEG Long Island is also referred to in this SGIP as “T&D Manager.

PSEG Long Network Upgrades: Additions, modifications, and upgrades to LIPA's Transmission System required at or beyond the point at which the Small Generator interconnects with LIPA’s Distribution System. Network Upgrades do not include Distribution Upgrades.

Party or Parties means LIPA and Customer individually or jointly. T&D Manager is not a party to the agreements referenced in this SGIP, and is executing and administering such agreements on behalf of LIPA as LIPA’s agent.

Point of Common Coupling (“PCC”): The point at which the interconnection between the electric utility and the customer interface occurs. Typically, this is the customer side of PSEG Long Island revenue meter.

Point of Interconnection: The point where the Interconnection Facilities connect with LIPA's Distribution System, which shall include the Point of Common Coupling.

Preliminary Review: A review of the generator-owner’s proposed system capacity, location on the LIPA System, system characteristics, and general system regulation to determine if the interconnection is viable.

Protective Device: A device that continuously monitors a designated parameter related to the operation of the generation system that operates if preset limits are exceeded

Proactive 3V0: A PSEG Long Island-initiated upgrade where PSEG Long Island installs 3V0 prior to any applicant payment and collects pro rata payments from interconnecting projects that utilize the upgrade.

Qualifying Upgrade: System modifications which result in an increase to the Hosting Capacity of LIPA’s Distribution System beyond that required to interconnect a Triggering Project that can be shared by multiple Distributed Generation/Energy Storage System projects where the upgrade cost is greater than \$250,000.

Qualifying Upgrade Disclosure: An exhibit to the CESIR presenting the use case and specifics of a Qualifying Upgrade, including the technology option(s) considered to address the electric system impacts and total estimated Qualifying Upgrade cost and increase in Hosting Capacity as well as the resulting capacity increase in shared cost expressed in kW.

Queue Position: The order of a valid Interconnection Request, relative to all other pending valid Interconnection Requests, which is established based upon the date and time of receipt of the valid Interconnection Request by PSEG Long Island.

Remote Net Metering: Remote Net Metering allows certain types of customers and/or distributed generation technology (see tables in Section II) the option to apply excess generation credits from the customer's generator to certain other meters on property that is owned or leased by the same customer and located within the service territory of the same utility to which the customer-generator's net energy meters are interconnected and within the same load zone.

Required Operating Range: The range of magnitudes of LIPA system voltage or frequency where the generator-owner's equipment, if operating, is required to remain in operation for the purposes of compliance with UL 1741. Excursions outside these ranges must result in the automatic disconnection of the generation within the prescribed time limits.

Safety Equipment: Includes dedicated transformers or equipment and facilities to protect the safety and adequacy of electric service provided to other customers.

Sharing Project: A project that benefits from and contributes to the cost of a Qualifying Upgrade holding an interconnection queue position after the Triggering Project.

Solar, Net Meter, Residential Applicant: A residential applicant who is proposing to install a photovoltaic generating system, not to exceed 25 kW, in an owner occupied residence per the requirements of LIPA Tariff for Electric Service.

Solar, Net Meter, Non-Residential Applicant: A non-residential applicant who is proposing to install a solar generating system located and used at the applicant's premises, not to exceed 2 MW, pursuant to LIPA Tariff for Electric Service

Small Generator: Interconnection Customer's device for the production of electricity identified in the Interconnection Request, but shall not include the Interconnection Customer's Interconnection Facilities. Small Generator means the distributed generation facilities and Energy Storage System approved by the T&D Manager with a nameplate capacity of 5 MW or less located on the Interconnection Customer's premises at the time T&D Manager approves such generator for operation in parallel with LIPA's system.

Stand-Alone Storage: An energy storage system that is solely connected to a point of common coupling and not paired with a distributed generator.

Study Process: The procedure for evaluating an Interconnection Request that includes the Scoping Meeting, Feasibility Study, System Impact Study, and Facilities Study.

System Upgrade Facilities: In the case of proposed interconnection projects, System Upgrade Facilities are the modifications or additions to the existing New York State Transmission System that are required

for the proposed project to connect reliably to the system in a manner that meets the NYISO interconnection standards.

Triggering Project: The application in the queue at a given substation or feeder whose proposed interconnection triggers the need for a Qualifying Upgrade.

Unit: The distributed generation facilities and Energy Storage System approved by the T&D Manager with a nameplate capacity of less than 10 MW located on the Interconnection Customer’s premises at the time T&D Manager approves such Unit for operation in parallel with LIPA’s system. This Agreement relates only to such Unit, but a new agreement shall not be required if the Interconnection Customer makes physical alterations to the Unit that do not result in an increase in its nameplate capacity. The nameplate generating and energy storage capacity of the Unit shall not exceed 10 MW in aggregate.

Upgrades: The required additions and modifications to LIPA's Distribution System or Transmission System at or beyond the Point of Interconnection. Upgrades may be System Upgrade Facilities, or Distribution Upgrades. Upgrades do not include Interconnection Facilities.

Utility Grade Relay: A relay that is constructed to comply with, as a minimum, the most current version of the following standards for non-nuclear facilities:

<u>Standard</u>	<u>Conditions Covered</u>
<u>ANSI/IEEEC37.90</u>	Usual Service Condition Ratings Current and Voltage Maximum design for all relay AC and DC auxiliary relays Make and carry ratings for tripping contacts Tripping contacts duty cycle Dielectric tests by manufacturer Dielectric tests by user
<u>ANSI/IEEE C37.90.1</u>	Surge Withstand Capability (SWC) Fast Transient Test
<u>IEEE C37.90.2</u>	Radio Frequency Interference
<u>IEEE C37.98</u>	Seismic Testing (fragility) of Protective and Auxiliary Relays
<u>Standard</u>	<u>Conditions Covered</u>
<u>ANSI C37.2</u>	Electric Power System Device Function Numbers
<u>IEC 255-21-1</u>	Vibration
<u>IEC 2555-22-2</u>	Electrostatic Discharge
<u>IEC 25 5-5</u>	Insulation (Impulse Voltage Withstand)

Verification Test: A test performed upon initial installation and repeated periodically to determine that there is continued acceptable performance.

Wind, Net Meter, Residential Applicant: A residential applicant who is proposing to install a wind electric generating system, not to exceed a combined rated capacity of 25 kW, located and used at the applicant's primary residence, per the requirements of LIPA Tariff for Electric Service.

Wind, Net Meter, Non-Residential Applicant: A non-residential applicant who is proposing to install a wind electric generating system located and used at the applicant's premises, not to exceed 2 MW, pursuant to LIPA Tariff for Electric Service.

Wind, Net Meter, Farm Applicant: A farm applicant who is proposing to install a wind electric generating system, not to exceed a combined rated capacity of 500 kW, located and used at the applicant's primary residence, per the requirements of LIPA Tariff for Electric Service.

APPENDIX A

Appendix A- Standardized Interconnection Contract For Systems 5MW Or Less

**LONG ISLAND LIGHTING COMPANY D/B/A LIPA
STANDARDIZED CONTRACT
FOR INTERCONNECTION OF DISTRIBUTED GENERATION AND/OR ENERGY STORAGE
SYSTEMS
WITH CAPACITY OF 5 MW OR LESS
CONNECTED IN PARALLEL WITH THE LIPA DISTRIBUTION SYSTEM**

Customer Information:

Name:

Address:

Telephone:

Fax:

Email:

Installation Address (if different):

Unit Application/PAM No.

Utility Information:

Name: Long Island Electric Utility Servco LLC
("T&D Manager") acting as agent for and
on behalf of **LONG ISLAND LIGHTING
COMPANY d/b/a LIPA ("LIPA")**

Address: 175 E. Old Country Road, E.O.B
Hicksville, NY 11801

Telephone: (516) 949-7004

Email: PSEG-LI-PAMInterconnect@pseg.com

Account Number: _____

APPENDIX A

DEFINITIONS

“**Delivery Service**” means the services LIPA may provide to deliver capacity or energy generated or stored by the Interconnection Customer to a buyer to a delivery point(s), including related ancillary services.

“**Energy Storage System (“ESS”)**” means a commercially-available mechanical, electrical or electro- chemical means to store and release electrical energy, and its associated electrical inversion device and control functions that may be stand-alone or paired with a distributed generator at a point of common coupling.

“**Interconnection Customer**” means the owner of the Unit or any entity that proposes to interconnect with LIPA’s Distribution System.

“**Interconnection Facilities**” means the equipment and facilities on LIPA’s system necessary to permit operation of the Unit in parallel with LIPA’s system.

“**Material Modification**” means a Modification to a Unit that may have adverse impacts on the LIPA’s system, LIPA customers, other projects, or applications in the interconnection queue.

“**Modification**” means a change to the ownership, equipment, equipment ratings, equipment configuration, or operating conditions of the Unit.

“**Net energy metering**” means the use of a net energy meter to measure, during the billing period applicable to a customer-generator, the net amount of electricity supplied by an electric corporation and provided to the corporation by a customer-generator. T&D Manager shall install an AMI smart meter for Net Metering customer-generator.

“**Party**” or “**Parties**” means LIPA and Interconnection Customer either individually or collectively.

“**Premises**” means the real property where the Unit is located.

“**Smart Meter**” means advanced metering infrastructure (AMI). For additional information, refer to <https://www.psegliny.com/myaccount/serviceandrates/mysmartenergy/smartmeter>

~~“**Party**” or “**Parties**” means LIPA and Interconnection Customer either individually or collectively.~~

“**SGIP**” means the PSEG Long Island Small Generator Interconnection Procedures For Distributed Generators and Energy Storage Systems Less than 10 MW Connected in Parallel with LIPA’s Radial Distribution System which are applicable to new and modifications to existing distributed generation units with a nameplate capacity less than 10 MW connected in parallel with the LIPA distribution system, posted at <https://www.psegliny.com/files.cfm/SGIP.pdf>.

“**Site Control**” shall have the definition set forth in Section II.A.8

“**T&D Manager**” also referred to herein as “**PSEG Long Island,**” means Long Island Electric Utility Servco LLC, a wholly owned subsidiary of PSEG Long Island LLC, which has managerial responsibility for the day-to-day operational maintenance of, and capital investment to, the electric transmission and distribution system owned by LIPA as of January 1, 2014, pursuant to that Amended Restated Operations Services Agreement, dated as of December 31, 2013, as amended and restated by the Second Amended and Restated Operations Services Agreement (“OSA”) dated as of December 15, 2021, that became

APPENDIX A

effective on April 1, 2022, or any successor or assignee thereof providing certain operation, maintenance and other services to LIPA. T&D Manager administers this Agreement on LIPA's behalf as its agent.

"Unit" means the distributed generation, stand-alone ESS, or combined generation and ESS facilities approved by the T&D Manager with a nameplate capacity of 5 MW or less located on the Interconnection Customer's premises at the time T&D Manager approves such Unit for operation in parallel with LIPA's system. This Agreement relates only to such Unit, but a new agreement shall not be required if the Interconnection Customer makes physical alterations to the Unit that do not result in an increase in its nameplate capacity. The nameplate generating or inverter/converter rating of the Unit shall not exceed 5 MW in aggregate.

I. TERM AND TERMINATION

1.1 Term: This Agreement shall become effective when executed by both Parties and shall continue in effect until terminated.

1.2 Termination: This Agreement may be terminated as follows:

- a. The Interconnection Customer may terminate this Agreement at any time, by giving T&D Manager and LIPA sixty (60) days' written notice.
- b. Failure by the Interconnection Customer to seek final acceptance by T&D Manager within twelve (12) months after completion of T&D Manager's construction process described in the SGIP shall automatically terminate this Agreement.
- c. Either Party may, by giving the other Party at least sixty (60) days' prior written notice, terminate this Agreement in the event that the other Party is in default of any of the material terms and conditions of this Agreement. The terminating Party shall specify in the notice the basis for the termination and shall provide a reasonable opportunity to cure the default.
- d. LIPA may, by giving the Interconnection Customer at least sixty (60) days' prior written notice, terminate this Agreement for cause. The Interconnection Customer's non-compliance with any modification to the SGIP, unless the Interconnection Customer's installation is "grandfathered," shall constitute good cause.

1.3 Disconnection and Survival of Obligations: Upon termination of this Agreement the Unit will be disconnected from LIPA's system. The termination of this Agreement shall not relieve either Party of its liabilities and obligations, owed or continuing at the time of the termination.

1.4 Suspension: This Agreement will be suspended during any period in which the Interconnection Customer is not eligible for delivery service from LIPA.

II. SCOPE OF AGREEMENT

2.1 Scope of Agreement: This Agreement relates solely to the conditions under which LIPA and the Interconnection Customer agree that the Unit may be interconnected to and operated in parallel with LIPA's system.

2.2 Electricity Not Covered: Neither LIPA nor T&D Manager shall have any duty under this Agreement to account for, pay for, deliver, or return in kind any electricity produced by the Facility and delivered into LIPA's system unless the system is net metered pursuant to LIPA's Net Metering Rules.

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III. INSTALLATION, OPERATION AND MAINTENANCE OF UNIT

3.1 Compliance with SGIP: Subject to the provisions of this Agreement, T&D Manager shall be required to interconnect the Unit to LIPA's system, for purposes of parallel operation, if T&D Manager accepts the Unit as in compliance with the SGIP. The Interconnection Customer shall have a continuing obligation to maintain and operate the Unit in compliance with the SGIP.

3.2 Observation of the Unit - Construction Phase: T&D Manager may, in its discretion and upon reasonable notice, conduct reasonable on-site verifications during the construction of the Unit. Whenever the T&D Manager chooses to exercise its right to perform observations herein it shall specify to the Interconnection Customer its reasons for its decision to perform the observation. For purposes of this paragraph and paragraphs 3.3 through 3.5, the term "on-site verification" shall not include testing of the Unit, and verification tests shall not be required except as provided in paragraphs 3.3 and 3.4.

3.3 Observation of the Unit - Ten-day Period: T&D Manager may conduct on-site verifications of the Unit and observe the execution of verification testing within a reasonable period of time, not exceeding ten (10) Business Days after system installation. The Interconnection Customer's Unit will be allowed to commence parallel operation upon satisfactory completion of the verification test. The Interconnection Customer must have complied with and must continue to comply with all contractual and technical requirements.

3.4 Observation of the Unit - Post-Ten-day Period: If T&D Manager does not perform an on-site verification of the Unit and observe the execution of verification testing within the ten-day period, the Interconnection Customer will send T&D Manager within five (5) days of the verification testing a written notification certifying that the Unit has been installed and tested in compliance with the SGIP, T&D Manager-accepted design and the equipment manufacturer's instructions. The Interconnection Customer may begin to produce energy upon satisfactory completion of the verification test. After receiving the verification test notification, T&D Manager, on behalf of LIPA will either issue to the Interconnection Customer a formal letter of acceptance for interconnection, or may request that the Interconnection Customer and T&D Manager set a date and time to conduct an on-site verification of the Unit and make reasonable inquiries of the Interconnection Customer, but only for purposes of determining whether the verification tests were properly performed. The Interconnection Customer shall not be required to perform the verification tests a second time, unless irregularities appear in the verification test report or there are other objective indications that the tests were not properly performed in the first instance.

3.5 Observation of the Unit - Operations: T&D Manager may conduct on-site verification of the operations of the Unit after it commences operations if T&D Manager has a reasonable basis for doing so based on its responsibility to provide continuous and reliable utility service or as authorized by the provisions of LIPA's Retail Electric Tariff relating to the verification of such installations generally.

3.6 Costs of Interconnection Facilities: During the term of this Agreement, T&D Manager shall design, construct and install the Interconnection Facilities. The Interconnection Customer shall be responsible for paying the incremental capital cost of such Interconnection Facilities attributable to the Interconnection Customer's Unit. Except as set forth in the "Operating Instructions" for the Unit, all costs associated with the operation and maintenance of the Interconnection Facilities after the Unit first produces energy shall be the responsibility of LIPA.

3.7 Modifications to the Unit: The Interconnection Customer may request a Modification at any time after commencement of parallel operation. T&D Manager shall evaluate the request and determine

APPENDIX A

whether the proposed change is a Material Modification in accordance with the rules for requesting changes to applications in the SGIP. A Material Modification will be studied pursuant to the procedures in the SGIP for new applications. In the case of a non-material modification that is accepted by T&D Manager, the Parties will execute an amendment to this Agreement describing the Unit changes that have been approved.

IV. DISCONNECTION OF THE UNIT

4.1 Emergency Disconnection: T&D Manager may disconnect the Unit, without prior notice to the Interconnection Customer (a) to eliminate conditions that constitute a potential hazard to Company personnel or the general public; (b) if pre-emergency or emergency conditions exist on the LIPA System; (c) if T&D Manager observes a hazardous condition relating to the Unit in an inspection; or (d) if the Interconnection Customer has tampered with any protective device. T&D Manager shall notify the Interconnection Customer of the emergency if circumstances permit. The Interconnection Customer shall notify T&D Manager promptly when it becomes aware of an emergency condition that affects the Unit that may reasonably be expected to affect the LIPA system.

4.2 Non-Emergency Disconnection: T&D Manager may disconnect the Unit, after notice to the responsible party has been provided and a reasonable time to correct, consistent with the conditions, has elapsed, if (a) the Interconnection Customer has failed to make available records of verification tests and maintenance of his protective devices; (b) the Unit system interferes with Company equipment or equipment belonging to other customers of LIPA; (c) the Unit adversely affects the quality of service of adjoining customers or (d) the Energy Storage System does not operate in compliance with the operating parameters and limits described in Appendix J of the SGIP except as set forth in the "Operating Instructions" for the Unit.

4.3 Disconnection by Interconnection Customer: The Interconnection Customer may disconnect the Unit at any time.

4.4 LIPA Obligation to Cure Adverse Effect: If, after the Interconnection Customer meets all interconnection requirements, the operations of LIPA are adversely affecting the performance of the Unit or the Interconnection Customer's premises, T&D Manager shall immediately take appropriate action to eliminate the adverse effect. If T&D Manager determines that LIPA needs to upgrade or reconfigure its system the Interconnection Customer will not be responsible for the cost of new or additional equipment beyond the point of common coupling between the Interconnection Customer and LIPA.

V. ACCESS

5.1 Access to Premises: T&D Manager shall have access to the disconnect switch of the Unit at all times. At reasonable hours and upon reasonable notice consistent with Section III of this Agreement, or at any time without notice in the event of an emergency (as defined in paragraph 4.1), T&D Manager and LIPA shall have access to the Premises.

5.2 Company and Interconnection Customer Representatives: T&D Manager shall designate, and shall provide to the Interconnection Customer, the name and telephone number of a representative or representatives who can be reached at all times to allow the Interconnection Customer to report an emergency and obtain the assistance of T&D Manager. For the purpose of allowing access to the premises, the Interconnection Customer shall provide T&D Manager with the name and telephone number of a person who is responsible for providing access to the Premises.

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5.3 Company Right to Access Company-Owned Facilities and Equipment: If necessary for the purposes of this Agreement, the Interconnection Customer shall allow LIPA or T&D Manager access to LIPA's equipment and facilities located on the Premises. To the extent that the Interconnection Customer does not own all or any part of the property on which LIPA is required to locate its equipment or facilities to serve the Interconnection Customer under this Agreement, the Interconnection Customer shall secure and provide in favor of LIPA or T&D Manager the necessary rights to obtain access to such equipment or facilities, including easements if the circumstances so require.

VI. DISPUTE RESOLUTION

6.1 Good Faith Resolution of Disputes: Each Party agrees to attempt to resolve all disputes arising hereunder promptly, equitably and in a good faith manner.

6.2 Mediation: If a dispute arises under this Agreement, and if it cannot be resolved by the Parties within ten (10) Business Days after written notice of the dispute, the parties agree to submit the dispute to mediation by a mutually acceptable mediator, in a mutually convenient location in New York State, in accordance with the then current CPR Institute for Dispute Resolution Mediation Procedure. The Parties agree to participate in good faith in the mediation for a period of up to ninety (90) days.

6.3 Escrow: If there are amounts in dispute of more than two thousand dollars (\$2,000), the Customer shall either place such disputed amounts into an independent escrow account pending final resolution of the dispute in question, or provide to LIPA an appropriate irrevocable standby letter of credit in lieu thereof; provided however, that an Interconnection Customer that is an agency or instrumentality of the Federal government, or an agency or instrumentality of the New York State government, shall not be required to place such disputed amounts into escrow if the establishment of such an escrow would be inconsistent with applicable Federal or State law or regulations.

VII. INSURANCE

7.1 Recommendation for Insurance: The Interconnection Customer is not required to provide general liability insurance coverage as part of this Agreement, the SGIP, or any other LIPA requirement. Due to the risk of incurring damages however, LIPA recommends that every distributed generation customer protect itself with insurance.

7.2 Effect: The inability of LIPA to require the Interconnection Customer to provide general liability insurance coverage for operation of the Unit is not a waiver of any rights LIPA may have to pursue remedies at law against the Interconnection Customer to recover damages.

7.3 With respect to an Interconnection Customer who owns and/or operates solar, Farm Waste, Micro-Combined-Heat-and-Power, Micro-Hydroelectric, Fuel Cell, Wind, or Hybrid Electric Generating Equipment (as these terms are defined in the LIPA Tariff), T&D Manager may require the Interconnection Customer to:

- (i) Comply with additional safety or performance standards in addition to those specified in the SGIP;
- (ii) Perform or pay for additional tests;
- (iii) Purchase additional liability insurance when the total rated generating capacity of the electric generating equipment that provides electricity to LIPA through the same local feeder line exceeds twenty (20%) of the rated capacity of the total feeder line.

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VIII. MISCELLANEOUS PROVISIONS

8.1 Beneficiaries: This Agreement is intended solely for the benefit of the parties hereto, and if a party is an agent, its principal. Nothing in this Agreement shall be construed to create any duty to, or standard of care with reference to, or any liability to, any other person. T&D Manager is not a party to this Agreement, and is executing and administering this agreement on behalf of LIPA as LIPA's agent. T&D Manager shall have all rights of a Party hereunder with respect to accuracy of information, Force Majeure, limitations of liability, indemnification, and disclaimers of warranty.

8.2 Severability: If any provision or portion of this Agreement shall for any reason be held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such portion or provision shall be deemed separate and independent, and the remainder of this Agreement shall remain in full force and effect.

8.3 Entire Agreement: This Agreement constitutes the entire Agreement between the parties and supersedes all prior agreements or understandings, whether verbal or written.

8.4 Waiver: No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. In the event that any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

8.5 Applicable Law: This Agreement shall be governed by and construed in accordance with the law of the State of New York, without regard to any choice of law provisions. However, if the Interconnection Customer is an agency or instrumentality of the United States Government, this Agreement shall be governed by the applicable laws of the United States of America and, to the extent that there is no applicable or controlling federal law, the laws of the State of New York, without regard to conflicts of law principles.

8.6 Amendments: This Agreement shall not be amended unless the amendment is in writing and signed by T&D Manager on behalf of LIPA and the Interconnection Customer.

8.7 Force Majeure: For purposes of this Agreement. "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: terrorism, acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement, but only to the extent that the effect of the Force Majeure Event cannot be mitigated by the use of reasonable efforts. The affected Party will use reasonable efforts to resume its performance as soon as possible.

8.8 Assignment to Corporate Party: At any time during the term, the Interconnection Customer may assign this Agreement to a corporation or other entity with limited liability, provided that the

APPENDIX A

Interconnection Customer obtains the consent of T&D Manager on behalf of LIPA. Such consent will not be withheld unless T&D Manager on behalf of LIPA can demonstrate that the corporate entity is not reasonably capable of performing the obligations of the assigning Interconnection Customer under this Agreement.

8.9 Assignment to Individuals: At any time during the term, an Interconnection Customer may assign this Agreement to another person, other than a corporation or other entity with limited liability, provided that the assignee is the owner, lessee, or is otherwise responsible for the Unit. The obligations under the Appendix A (Long Island Lighting Company D/B/A LIPA Standardized Contract for Interconnection of Distributed Generation and/or Energy Storage Equipment with Capacity of 5 MW or Less Connected in Parallel with the LIPA Distribution Systems), shall be binding on any successor owner of the Unit. If the Unit is sold LIPA may require the new Unit owner to sign an amended agreement.

8.10 Permits and Approvals: Interconnection Customer shall obtain all environmental and other permits lawfully required by governmental authorities prior to the construction and for the operation of the Unit during the term of this Agreement.

8.11 Limitation of Liability: Neither by inspection, if any, or non-rejection, nor in any other way, does LIPA or T&D Manager give any warranty, express or implied, as to the adequacy, safety, or other characteristics of any structures, equipment, wires, appliances or devices owned, installed or maintained by the Interconnection Customer or leased by the Interconnection Customer from third parties, including without limitation the Unit and any structures, equipment, wires, appliances or devices appurtenant thereto.

8.12 Additional Requirements: Additional interconnection requirements relating to the Unit and associated facilities are set forth in Exhibit A of this Agreement.

APPENDIX A

ACCEPTED AND AGREED:

**Long Island Electric Utility Service LLC
acting as agent of and on behalf of
Long Island Lighting Company d/b/a LIPA**

[Customer]

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print)

Name: _____
(Print)

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX A

EXHIBIT A

ADDITIONAL INTERCONNECTION REQUIREMENTS

APPENDIX B

Appendix B - Standardized Application For Inverter Based Systems

**LONG ISLAND LIGHTING COMPANY D/B/A LIPA
STANDARDIZED APPLICATION
FOR
INTERCONNECTION OF INVERTER BASED DISTRIBUTED GENERATION AND ENERGY
STORAGE EQUIPMENT
IN PARALLEL WITH THE LIPA DISTRIBUTION SYSTEM**

CHECK IF: Standard SGIP Project _____ or Feed in Tariff Project _____

Customer:

Name: _____

Address (Street, City, State, ZIP): _____

Phone: (_____) _____ Fax: (_____) _____ Email: _____

LIPA Account Number: _____

Installation Address (Street, City, State, ZIP): _____

Applicant Organization: _____

Applicant Contact: _____ Title: _____

Address (Street, City, State, ZIP): _____

Phone: (_____) _____ Fax: (_____) _____ Email: _____

Agent (if any): _____

Agent Organization: _____

Agent Contact: _____ Title: _____

Address (Street, City, State, ZIP): _____

Phone: (_____) _____ Fax: (_____) _____ Email: _____

Consulting Engineer or Contractor:

Organization: _____

Contact: _____ Title: _____

Address (Street, City, State, ZIP): _____

Phone: (_____) _____ Fax: (_____) _____ Email: _____

Estimated In-Service Date: _____

Electric Service: Indicate if Existing _____ or New Service _____

Capacity: _____ Amperes _____ Voltage: _____ Volts Service Character: () Single Phase ()

Three Phase Secondary 3 Phase Transformer Connection () Wye () Delta

APPENDIX B

Location of Protective Interface Equipment on Property: (include address if different from customer address) _____

Solar Panel Information:

Panel Manufacturer: _____
Model No. _____ Version No. _____
Panel Power Rating: _____ kW (DC)
Quantity of Panels: _____
Total Rated Output: _____ kW (DC)

Energy Storage System Information:

Manufacturer: _____
Model No: _____
Total rating KW (AC): _____
Total Rating KWH : _____

Inverter Information:

Manufacturer: _____ / _____ / _____
Model No: _____ / _____ / _____
Inverter Rating kW (AC): _____ / _____ / _____
Quantity of Inverters _____ / _____ / _____
Total Rating of All Inverters kW (AC): _____
System Total Output _____ kW AC (System Total Output should be Total Rating of All Inverters)

Type: Forced Commutated Line Commutated
 Utility Interactive Stand Alone
System Type Tested (Total System): Yes No; attach product literature
Ramp Rate: _____
Method of Grounding: Grounded Ungrounded
Interconnection Voltage: Volts

Applicable Attachments:

Detailed One Line Diagram attached Yes
If applicable, NRTL/UL 1741 Certification attached: Yes

APPENDIX B

If applicable:

Step Up Transformer Winding Configuration::

() Delta () Wye () Wye Grounded

Other existing DG such as emergency generators, other renewable technologies, microturbines, hydro, fuel cells, battery storage, etc:

() Yes () No

(If yes, provide information about existing generation on separate sheet and include detail on one-line diagram.)

SIGNATURE TITLE DATE _____ CUSTOMER/AGENT

APPENDIX C

Appendix C - Standardized Application For Non-Inverter Based Systems

**LONG ISLAND LIGHTING COMPANY D/B/A LIPA
STANDARIZED APPLICATION
FOR INTERCONNECTION OF NON-INVERTER BASED DISTRIBUTED GENERATION
EQUIPMENT
IN PARALLEL WITH THE LIPA DISTRIBUTION SYSTEM**

CHECK IF: Standard SGIP Project _____ or Feed in Tariff Project _____

Customer:

Name: _____

Address (Street, City, State, ZIP): _____

Phone: (_____) _____ Fax: (_____) _____ Email: _____

LIPA Account Number: _____ **Installation Address** (Street, City, State, ZIP): _____

Applicant Organization: _____

Applicant Contact: _____ Title: _____

Address (Street, City, State, ZIP): _____

Phone: (_____) _____ Fax: (_____) _____ Email: _____

Agent (if any):

Agent Organization: _____

Agent Contact: _____ **Title:** _____

Address (Street, City, State, ZIP): _____

Phone: (_____) _____ Fax: (_____) _____ Email: _____

Consulting Engineer or Contractor:

Organization: _____

Contact: _____ Title: _____

Address (Street, City, State, ZIP): _____

Phone: (_____) _____ Fax: (_____) _____ Email: _____

Estimated In-Service Date: _____

Electric Service: Indicate if Existing _____ or New Service _____

Capacity: _____ Amperes _____ Voltage: _____ Volts Service Character: () Single Phase () Three Phase Secondary 3 Phase Transformer Connection () Wye () Delta

Location of Protective Interface Equipment on Property: (include address if different from customer address) _____

APPENDIX C

For Induction Machines:

Rotor Resistance (Rr): _____ ohms Exciting Current : _____ Amps

Rotor Reactance (Xr): _____ ohms Reactive Power Required: _____

Magnetizing Reactance (Xm): _____ ohms , _____ VARs (No Load)

Stator Resistance (Rs): _____ ohms , _____ VARs (Full Load)

Stator Reactance (Xs): _____ ohms

Short Circuit Reactance (X''d) : _____ ohms,

Phases: () Single Phase () Three Phase

Frame Size: _____ Design Letter: _____

Temp. Rise: _____ °C

Step Up Transformer Winding Configuration:

() Wye-Wye () Wye-Delta () Delta-Wye

Other existing DG such as emergency generators, other renewable technologies, microturbines, hydro, fuel cells, battery storage, etc:

() Yes () No

(If yes, provide information about existing generation on separate sheet and include detail on one-line diagram.)

Signature:

CUSTOMER/AGENT SIGNATURE

TITLE

DATE

APPENDIX D

Appendix D -Pre-Application Report

PRE-APPLICATION REPORT FOR THE CONNECTION OF PARALLEL GENERATION EQUIPMENT TO LIPA’S DISTRIBUTION SYSTEM

DG Project Information: (Provided to Utility by Applicant)
Customer name
Location of Project: (Address and/or GPS Coordinates)
DG technology type
DG fuel source / configuration
Proposed project size in kW (AC)
Date of Pre-Application Request
Pre-Application Report: (Provided to Applicant by Utility – 10 Business Days)
Operating voltage of closest distribution line
Phasing at site
Approximate distance to 3-Phase (if only 1 or 2 phases nearby)
Circuit capacity (MW)
Fault current availability, if readily obtained
Circuit peak load for the previous calendar year
Circuit minimum load for the previous calendar year
Approximate distance (miles) between serving substation and project site
Number of substation banks
Total substation bank capacity (MW)
Total substation peak load (MW)
Aggregate existing distributed generation on the circuit (kW)
Aggregate queued distributed generation on the circuit (kW)

APPENDIX E

Appendix E - Cost Sharing For System Modifications & Cost Responsibility For Dedicated Transformer(s) And Other Safety Equipment For Net Metered Customers

~~COST SHARING FOR SYSTEM MODIFICATIONS & COST RESPONSIBILITY FOR DEDICATED TRANSFORMER(S) AND OTHER SAFETY EQUIPMENT FOR NET METERED CUSTOMERS~~

Net Metered Customers

Eligibility for Net Metered Customers will be per the applicable net metering provisions of the LIPA Tariff for Electric Service.

Cost Sharing for Qualifying Upgrades

The following cost sharing provisions are applicable only to Net Metered DER facilities that are greater than 50 kW AC but no greater than 5 MW AC nameplate rating in size.

The cost-sharing provisions herein apply to two categories of system modifications: Utility-Initiated Upgrades and Market-Initiated Upgrades, as defined below, both which utilize a pro rata approach whereby the applicant pays only for the specific distribution hosting capacity assigned to its project for these types of system modifications. A pro rata approach consists of taking the estimated cost of an upgrade and dividing that cost by the total increased Hosting Capacity created by the upgrade, thereby creating a dollar per kW cost which will then be multiplied by an individual project's AC nameplate rating in kW to determine the applicant's pro rata cost share. The rules specified in Section I. Application Process will continue to govern applicants' cost obligations with respect to all other system modifications.

1. Utility-Initiated Upgrades

The category of Utility-Initiated Upgrades consists of substation transformer bank ("bank") installations or replacements and proactive zero sequence voltage ("3V0") installations where PSEG Long Island plans to complete engineering within the next twenty-four (24) months. Relevant upgrade information will be made available to authorized applicants subject to appropriate information security/confidentiality procedures. After the established application deadline, as defined below, PSEG Long Island shall determine a pro rata cost per kW for the upgrade at each relevant substation.

A. Bank Upgrades (Proposed Multi-value Distribution Projects)

In the course of its planning process, at the time when PSEG Long Island identifies the need to install or replace a bank due to asset condition, reliability, safety, resiliency, or capacity requirements, PSEG Long Island shall consider options for designing the new bank equipment to create greater DG/ESS Hosting Capacity than the baseline installation would create. If the bank can be upgraded to increase Hosting Capacity while solving a pre-existing asset condition, reliability, safety, resiliency, or capacity issue, and if there is market interest that indicates DG/ESS growth above the capacity of the baseline equipment, PSEG Long Island will identify the enhanced installation or replacement in the next CIP as a Multi-value Distribution ("MVD") project. LIPA will fund the cost of the baseline project. Participating Projects will fund the difference between the baseline and the MVD project cost.

If PSEG Long Island determines, in its sole discretion, that there is sufficient time in the CIP project schedule (where "sufficient time" is baseline project specific and includes baseline projects where final

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design and engineering is not complete and prior to procurement) to allow additional DG/ESS developers to submit interconnection applications, PSEG Long Island will publish a deadline for such applications on its system data portal with the link to the CIP. The notice will describe the baseline installation to be performed and the corresponding design/construction plan for the proposed baseline project. Within thirty (30) Business Days after the application deadline, PSEG Long Island will calculate a cost per kW¹ for the upgrade for each project with an approved application to participate in the MVD Project Study and will provide that information and an invoice for MVD Project Study costs to each relevant applicant. Applicants will have 10 Business Days to pay their share of the study costs to LIPA; applicants who make this payment on time will be considered Participating Projects. Once Participating Projects commit to participate in the MVD Project Study, which requires the payment of their respective MVD Project Study cost share, Participating Projects will also be subject to CESIR payment timelines for project specific non-shared costs as per Section I.D. PSEG Long Island will start the MVD Project Study and Participating Project CESIRs once the all MVD Project Study and CESIR payments are received. If Participating Projects do not meet payment timelines and are withdrawn from the queue, the pro rata cost per kW remains the same for remaining Participating Projects, and PSEG Long Island will have discretion on whether 100% of the required funding will be collected from the Participating Projects to justify proceeding with the MVD project study. PSEG Long Island will have one hundred (100) Business Days to complete both the MVD Project Study and each Participating Project's CESIR.

The MVD Project Study result will include an indication of the incremental project equipment, Hosting Capacity enabled, preliminary milestone schedule, and revised cost per kW required to interconnect Participating Projects as part of the proposed MVD project. If the MVD Project Study indicates that the aggregate Participating Project capacity exceeds the capacity of the MVD project, the capacity will be assigned by interconnection queue position. After the MVD Project Study results are provided to the Participating Projects, for those Participating Projects where the MVD Study confirms available increased Hosting Capacity, a non-refundable full MVD Qualifying Upgrade payment for the shared costs of proceeding with the MVD project will be due within ninety (90) Business Days from each of the Participating Projects that want to proceed. If projects are withdrawn from the queue such that additional Participating Projects in queue can now benefit from Hosting Capacity created by the Qualifying Upgrade, PSEG Long Island will send invoices to additional Participating Projects where the MVD project can now meet their Hosting Capacity needs. Applicants who receive an invoice under this provision shall pay the invoice within 30 Business Days or be withdrawn from the queue.

Based on the number of DG/ESS applicants that pay the non-refundable MVD Qualifying Upgrade payment and the CIP project schedule, PSEG Long Island will have the discretion to move ahead with the MVD project. If PSEG Long Island determines it will not proceed with the MVD project, it will provide notice of its decision and rationale to Participating Projects within fifteen (15) Business Days of receipt of the MVD Qualifying Upgrade payment and will refund those payments via the cost reconciliation process per Section I.C. No MVD Qualifying Upgrade payments will be refunded to Participating Projects that are withdrawn from the queue after making such payments until/unless a subsequent project(s) take their place by making MVD Qualifying Payments that equal or exceed the MVD Qualifying Payments received from those withdrawing Participating Projects.

B. Proactive 3V0 Upgrades

The CIP will identify relevant information regarding substations at which PSEG Long Island plans to install 3V0 upgrades.

Following availability of PSEG Long Island's CIP, as described above in Section 1 of this Appendix, additional applicants may apply for interconnection at the identified substations. PSEG Long

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Island will accept applications at a substation designated for a 3V0 upgrade up to the maximum capacity available at the site for reliable and safe operation. PSEG Long Island will have the discretion to proceed where 3V0 upgrades are feasible. Payments will be due in accordance with CESIR payment timelines as per Section 1-D.

2. Market-Initiated Upgrades

This section addresses cost-sharing for Qualifying Upgrades identified in the course of the interconnection application process.

A. Process for Market-Initiated Upgrades

Whenever PSEG Long Island determines that a substation Qualifying Upgrade is required to interconnect a Triggering Project, PSEG Long Island will promptly discuss its finding with the applicant. If the applicant decides to continue with the application, then in addition to the CESIR process outlined in Section I-C, PSEG Long Island will proceed with a more detailed study to develop a cost estimate and initial construction schedule for the Qualifying Upgrade. PSEG Long Island will determine the Qualifying Upgrade Cost and the net increase in Hosting Capacity that would result from the construction of that modification. PSEG Long Island shall have up to forty (40) Business Days to conduct the additional study to assess the Qualifying Upgrade and complete the CESIR. PSEG Long Island will present the Qualifying Upgrade use case and supporting details in the Qualifying Upgrade Disclosure, which will include the following items:

1. The technology option(s) considered to address the electric system impacts;
2. The Qualifying Upgrade selected by PSEG Long Island;
3. The estimated Qualifying Upgrade Cost and increase in Hosting Capacity;
4. The estimated Capacity Increase Shared Cost (per kW AC); and
5. A Preliminary Milestone schedule for the Qualifying Upgrade.

Relevant Qualifying Upgrade Disclosure information will be made available to authorized applicants subject to appropriate information security/confidentiality procedures.

The CESIR will assign the Triggering Project and any Sharing Project its Qualifying Upgrade Charge. Each applicant shall pay the Qualifying Upgrade Charge ninety (90) Business Days following the CESIR delivery, and 30% of the project specific costs in accordance with the requirements of Section 1.D. PSEG Long Island shall not proceed to construction until sufficient funds from the Triggering and Sharing Project(s) are collected for a Qualifying Upgrade installation in accordance with Utility Mobilization Thresholds section C below. No Qualifying Upgrade Charge payments will be refunded to Participating Projects that are withdrawn from the queue after making such payments until/unless a subsequent project(s) take their place by making Qualifying Upgrade Charge payments that equal or exceed the Qualifying Upgrade Charge payments made by the withdrawing Participating Projects.

For Qualifying Upgrades that are distribution/sub-transmission line PSEG Long Island shall charge the Triggering Project the full cost estimate for the Qualifying Upgrade as established in the CESIR. Actual costs shall be reconciled and invoiced upon completion of the Qualifying Upgrade and paid by or refunded to the applicant. At the time the Triggering Project applicant makes its first payment, PSEG Long Island shall designate the upgrade as a "DG/ESS Encumbered Line." Construction of the upgrade shall begin once PSEG Long Island has received full payment of the cost estimate. Any Sharing Project(s) above 50 kW AC that later proceeds to CESIR will be charged its pro rata share of the Qualifying Upgrade. PSEG Long Island will calculate the pro rata share based on the capacity of the

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DG/ESS project and footage used. After ten years from the first project interconnection, or when the Triggering Project’s contribution after reimbursement becomes less than \$100,000, whichever occurs first, the line will no longer be considered a “DG/ESS Encumbered Line.” No payments shall be refunded to a Sharing Project(s) after making full payment until a subsequent project(s) takes their place by making their full payment.

B. Project Profiles to Be Considered in Site Selection and Eligible for the Market- Initiated DG/ESS Upgrade Mechanism

Participating Projects must be greater than 50 kW AC nameplate rating in size, or Participating Projects proposed by the same developer, within a six-month period, must be greater than 50 kW AC nameplate rating in aggregate.

The table below, “Market-Initiated Cost Sharing 2.0 Mechanisms”, provides a breakdown of Triggering and Sharing project cost responsibilities, Mobilization Threshold, and Refundability/Reconciliation of the various Market-Initiated Qualifying Upgrade mechanisms.

Market-Initiated Cost Sharing 2.0 Mechanisms

Market-Initiated Qualifying Upgrade	CESIR Cost Responsibility		Mobilization Threshold	Refundability and Reconciliation
	Triggering Project	Sharing Project		
Distribution and Sub-Transmission Lines	100% of Qualifying Upgrade Cost	Pro-Rata Share based on kW Capacity and Footage	Upon payment of 100% of Qualifying Upgrade Cost by Triggering Project	<p>Qualifying Upgrade Costs are non-refundable for the Triggering Project until a Sharing Project provides payment such that PSEG Long Island has receipt of 100% of Qualifying Upgrade Cost.</p> <p>Upon receipt of additional payments by Sharing Projects PSEG Long Island shall reconcile with the Triggering Project based on a calculated estimated pro-rata share. Remaining reconciliation for Qualifying Upgrade Cost to occur pursuant to Section I.C of the SGIP.</p>

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Transformer Bank	Pro-Rata Share of	Pro-Rata Share of	Upon payment of 75% of	
	Qualifying Upgrade Cost based on kW Capacity	Qualifying Upgrade Cost based on kW Capacity	Qualifying Upgrade Cost by Triggering Project and Sharing Project(s)	<p>Qualifying Upgrade Costs are non-refundable until another Sharing Project provides payment such that PSEG Long Island has received payments equal to the pro-rata share of the Qualifying Upgrade.</p> <p>Remaining reconciliation for Qualifying Upgrade Cost to occur pursuant to Section I.C of the SGIP.</p>
Other Qualifying Substation Upgrades	Pro-Rata Share of Qualifying Upgrade Cost based on kW Capacity	Pro-Rata Share of Qualifying Upgrade Cost based on kW Capacity	Upon payment of 25% of Qualifying Upgrade Cost by Triggering Project and Sharing Project(s)	<p>Qualifying Upgrade Costs are non-refundable until another Sharing Project provides payment such that PSEG Long Island has received payments equal to the pro-rata share of the Qualifying Upgrade.</p> <p>Remaining reconciliation for Qualifying Upgrade Costs to occur pursuant to Section I.C of the SGIP.</p>

C. Utility Mobilization Thresholds

PSEG Long Island shall proceed to construct a Qualifying Upgrade, other than a distribution/sub- transmission line upgrade, once it has collected sufficient funds from the Triggering and Sharing Project(s) in accordance with the following:

1. For all substation upgrades other than a transformer installation/upgrade, PSEG Long Island shall proceed once Participating Project payments total at least 25% of the estimated Qualifying Upgrade Cost.
2. For a substation transformer installation/upgrade and associated work, construction shall begin once payments made by Participating Projects equal at least 75% of the estimated Qualifying Upgrade Cost. If the 75% threshold is not collected within twelve (12) months of an applicant paying its full construction contribution, then the applicant may request a refund, which PSEG Long Island shall process within sixty (60) Business Days of the request.
3. If Triggering Project and Sharing Project(s) Hosting Capacity needs are below the minimum subscription threshold, the Triggering Project, or the Triggering Project and any Sharing Project(s), may agree to fund shares beyond their capacity needs so that the minimum subscription threshold criterion is met.

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4. To mitigate the risk to utility customers, unrecovered costs shall be capped at 2% of PSEG Long Island's distribution/sub-transmission electric capital investment budget per fiscal year, after which any Qualifying Upgrades would require full (100%) funding from Triggering Projects and Sharing Projects prior to PSEG Long Island mobilization for such projects' construction work.

3. Capital Project Queues

PSEG Long Island will create a Capital Project Queue at the substation or feeder level for each Utility-Initiated Upgrade and Market-Initiated Upgrade identified under these rules where utility construction will take longer than twenty-four (24) months. PSEG Long Island will note on its Hosting Capacity map that the station/feeder is impacted by the Capital Project Queue due to future work.

Applications pending at the time a Capital Project Queue is created will be placed into the queue if the applicant consents. New applications will be placed into a Capital Project Queue following the Preliminary Screening Analysis. The payment timelines in Section 1.D will be suspended for applications assigned to a Capital Project Queue, except as provided otherwise in this Section.

When the upgrade for a given substation is within eighteen (18) months of the expected completion date, applications will be removed from in the Capital Project Queue and will advance through the remaining SGIP steps based on their original application completion date. Any project that was placed in the Capital Project Queue after the CESIR was complete will need to go through the CESIR process again due to potential changes to the LIPA's electric power system, unless PSEG Long Island determines that a restudy is not needed.

4. Unsubscribed Capacity

PSEG Long Island will continue to collect contributions from Participating Projects up to ten (10) years after a Qualifying Upgrade is placed in service, or all available Hosting Capacity from a Qualifying Upgrade is used, whichever occurs first.

If the Triggering Project and initial Sharing Project(s) have met the minimum threshold to begin the upgrade, but the available Hosting Capacity has not been completely filled and thus utility customers contribute to the unassigned costs, then any additional Sharing Projects that use available Hosting Capacity up to ten (10) years after the upgraded asset is placed in service will be required to fund their pro rata share prior to interconnection, and utility customers shall receive the benefit provided by those additional Sharing Project(s). At the time additional Sharing Project(s) provide contributions for Qualifying Upgrades under this scenario, the following utility customer protections shall apply:

- i. For Qualifying Upgrades that are in service but NOT included in base rates, PSEG Long Island shall pay for this using debt and recover those costs in Debt Service.

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If the additional Hosting Capacity needs of the Triggering Project and initial Sharing Project(s) are below the minimum subscription threshold, and the Triggering Project and initial Sharing Project(s) (if any), agree to fund shares beyond their capacity needs so that the minimum subscription threshold criterion is met, then the Triggering Project and initial Sharing Project(s) have provided contributions in excess of the Capacity Increase Shared Cost rate multiplied by their respective Hosting Capacity. Under this scenario the cost of unsubscribed capacity is being borne by the Triggering Project, previously paid Sharing Project(s) (if any), and utility customers.

Additional Sharing Projects that connect to the upgraded station/feeder will be required to contribute such that the Triggering Project, initial Sharing Project(s) (if any), and additional Sharing Projects have provided funding at an equal dollar per kW of Hosting Capacity. Triggering Projects and previously paid Participating Projects are to be provided refunds (from LIPA) as a result of the additional contribution of Sharing Project(s). Refunds shall be provided to the Triggering Project and previously paid Sharing Project(s) until the Participating Projects have provided funding at a level that is equivalent to their Capacity Increase Shared Cost multiplied by their respective Hosting Capacity level. If additional Sharing Projects provide funding, the PSEG Long Island customer protections described in Scenario above (sections 4.i) shall apply.

5. Cost Reimbursement

PSEG Long Island will reimburse Participating Projects for the costs of Qualifying Upgrades upon completion of the final project cost reconciliation process established in section 1.C, Step 11 of the SGIP, as provided in this section. These reimbursements will be based on the cost estimates provided by PSEG Long Island.

For upgrades involving the DG Encumbered Line mechanism, Triggering Projects and previously paid Sharing Projects shall be reimbursed by PSEG Long Island when later Sharing Projects make their full payments, with contributions to be calculated based on project size and footage utilized. Once the Triggering Project and Sharing Project(s) have paid 100% of their respective payments, PSEG Long Island will reimburse Sharing Projects' estimated costs to the Triggering Project within sixty (60) Business Days. When the final PSEG Long Island costs for all participating projects on a DG Encumbered Line are known, both the Triggering Project and any Sharing Projects will be billed or refunded by PSEG Long Island as provided in the SGIP.

When any Triggering Project or Sharing Projects pay more than their pro rata cost shares in order to reach a mobilization threshold, as provided in section 2 above, payments from additional Sharing Projects received after the mobilization threshold is reached will be first applied to the Triggering Project and initial Sharing Project(s) that paid more than their pro rata cost share, until the Triggering Project and Sharing Projects' contributions are equal to the pro rata share of each project based on capacity needs. When the final costs are known, the Triggering Project and Sharing Projects will be billed or refunded based on the actual cost.

APPENDIX F

Appendix F -Application Checklist

Completed standard application form	✓
Signed copy of the standard contract	✓
Letter of authorization, signed by the Customer, to provide for the contractor to act as the customer’s agent, if necessary	✓
If requesting a new service, a site plan drawing with the proposed interconnection point identified by a Google Earth, Bing Maps, or similar satellite image. For those projects interconnected on existing services, account number, meter number, photos of existing service entrance equipment (existing metering facilities and switchgear) and a site plan drawing shall be provided. The drawings shall show all electrical components proposed for the installation and their connections to the existing on-site electrical system from that point to the PCC, and shall be clearly marked to distinguish between new and existing equipment.	✓
Proof of Site Control and, if applicable, New York State Standardized Acknowledgement of Property Owner Consent Form or Site Control Certification Form— Refer to Appendix H and Appendix H-1. New York State Standard Site Control Certification Form, provided in Appendix H and Appendix H-1 as per Section II.A.8	✓
Description/Narrative of the project and site proposed. If multiple DG systems are being proposed at the same site/location, this information needs to be identified and explained in detail	✓
DG technology type	✓
DG fuel source / configuration	✓
Proposed project size in AC kW	✓
Project is subject to Solar Communities Feed-in Tariff, net metered, remote or community net metered	✓
Copy of the certificate of compliance referencing UL 1741. If proposing power-limited equipment, provide additional generic letter by manufacturer detailing output range in which inverter model(s) were tested and certified to UL 1741.	✓
Copy of the manufacturer’s product data sheet for the interface equipment. For custom equipment (e.g., transformer, disconnect, or recloser), copy of the manufacturer’s product brochure.	✓
Copy of the manufacturer’s verification test procedures, if required	✓
For systems 50 kW or less, provide a copy of the manufacturer's verification test procedures.	✓
System Diagram - For solar PV and BESS applications – a single-line drawing that meets the requirements of this Appendix. For all other types of applications – a three-line diagram that meets the requirements of this Appendix. Single-line and three-line diagrams must include the following: <ol style="list-style-type: none"> 1. Number, individual ratings, connection configurations, and type of all major electrical components such as generating units, step-up transformers, auxiliary transformers, grounding transformers, neutral reactors, and switches/disconnects of the proposed interconnection, including the required protection devices (instrument transformer configuration and polarity if applicable) and circuit breakers. 2. Proposed inverter protection settings (and relay equipment settings if applicable). 3. Proposed generator step-up transformer MVA ratings, impedances, tap settings, neutral connections, winding configurations, and voltage ratings. 4. For those systems proposed to be interconnected at a system voltage of 1,000 volts or greater, the drawings shall be sealed by a NYS licensed Professional Engineer. 	✓

5. Control system designs, phase sequencing, differential relay settings, ground connections, and metering transformer connections	
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Appendix G – Screening Analysis

PRELIMINARY SCREENING ANALYSIS

Please refer to PSEG Long Island’s Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA’s Distribution System for Preliminary DER Interconnection Screening. The document can be found at the following link:

<https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/sgip>

SUPPLEMENTAL SCREENING ANALYSIS

Please refer to PSEG Long Island’s Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA’s Distribution System for Supplemental DER Interconnection Screening. The document can be found at the following link:

<https://www.psegliny.com/aboutpseglongisland/ratesandtariffs/sgip>

APPENDIX H

Appendix H – Property Owner Consent Form

New York State Standardized Acknowledgment of Property Owner Consent Form

Project Name:

Location (Installation address):

Project/PAM Number (if available):

(Note: This Acknowledgment is to be signed by the ~~owner of the property owner where of~~ the proposed distributed generation facility and interconnection ~~(Developer/Applicant) will be placed~~, when ~~that entity~~ ~~owner or operator of the proposed distributed generation facility~~ is not also the owner of the real property where such facility will be located, and the real property owner’s electric facilities will not be involved in the interconnection of the distributed generation facility. The Property Owner shall also execute this form and attached a copy of Tax Bill/Deed/Lease/Agreement/Other as evidence with this form)

This Acknowledgment is executed by _____, (the “Property Owner”; as used herein the term shall include the Property Owner’s successors in interest to the Property), as owner of the real property situated in the City/Town of _____, _____ County, New York, known as _____ [street address] (the “Property”), at the request of _____ [name of Developer] (the “Developer”; as used herein the term shall include the Developer’s successors and assigns).

This Acknowledgment does not grant or convey any interest in the Property to the Developer.

- 1. The Property Owner certifies as of the date indicated below that the Property Owner is working exclusively with the Developer on a proposal to install a distributed generation facility (the “Facility”) on the Property.

OR

- 2. The Property Owner certifies as of the date indicated below that the Developer has executed with the Property Owner one of the following: a signed option agreement to lease or purchase the Property, an executed Property lease, or an executed purchase agreement for the Property granting the Developer a right to use the Property for purposes of installing the Facility.

Property Owner:

Developer/Applicant:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX H-1

Appendix H-1 Site Control Certification Form

PSEG Long Island
 Manager of Power Asset Management
 175 E Old Country Road
 Hicksville, New York 11801

Re:	DEVELOPER	[name]
		[contact information]
	PROJECT	[PAM ID number]
	PROPERTY	[street address]
		[municipality/county]
		[city/town and zip code]

_____ (the “Property Owner”) is the owner of the above- referenced real property (the “Property”).

_____ (the “Developer”) is the developer of the project identified above.

The Property Owner and the Developer have entered into an agreement authorizing the Developer to use the Property for the purpose of constructing and operating a distributed generation facility. The type of agreement that is in place is indicated below by a check mark.

	Signed option agreement to lease or purchase the Property
	Executed lease agreement for the Property
	Executed agreement to purchase the Property
	License or other agreement granting exclusive right to use the Property for purposes of constructing and operating the distributed generation facility

Property Owner and Developer entered into the agreement on or about _____
 (MM/DD/YYYY)

Terms of Agreement (including options to extend) _____
 (MM/DD/YYYY)

Property Owner

By: _____

Printed Name: _____

Title: _____

Date: _____

Developer

By: _____

Printed Name: _____

Title: _____

Date: _____

APPENDIX I

Appendix I – Moratorium Attestation Form

New York State Standard Moratorium Attestation Form

PSEG Long Island
 Manager of Power Asset Management
 175 E Old Country Road
 Hicksville, New York 11801

Re:	DEVELOPER	[name]
		[contact information]
	PROJECT	[Project/PAM number]
	PROPERTY	[street address]
		[municipality/county]
		[city/town and zip code]

_____ [DEVELOPER NAME] hereby attests that it will notify the
 interconnecting utility identified above of the date that the moratorium on solar development in
 _____ [MUNICIPALITY NAME] is lifted.

By signing below, Developer confirms that this attestation is true and correct.

By: _____

Printed Name: _____

Title: _____

APPENDIX J

Appendix J – Energy Storage System (ESS) Application Requirements

Energy Storage System (ESS) Application Requirements / System Operating Characteristics / Market Participation

Application Requirements:

- a. Provide a general overview / description and associated scope of work for the proposed project. Is the new ESS project associated with a new or existing DG facility?
- b. Identify whether this is a Stand-Alone or Hybrid ESS proposal or a change to the operating characteristics of an existing system. If Hybrid ESS, please select the configuration option:
 1. Hybrid Option A - ESS is charged exclusively by the DG
 2. Hybrid Option B - ESS will not export to the grid, only DG will.
 - a. Hybrid Option C - ESS may charge/discharge unrestricted, but grid consumption by ESS is netted out of grid exports¹.
 3. Hybrid Option D - ESS may charge/discharge unrestricted, but any consumption on the account is netted out of grid exports
 4. N/A - not Value Stack
- c. Market participation²
 1. Compensated under the LIPA Electric Service Tariff If yes, please specify. Identify any associated use case stacking (*i.e.*, parallel standby, net meter, VDER, import only, export only, peak shaving, generator firming, demand response, etc.) if applicable.
 2. NYISO markets? If yes, has the NYISO process been initiated? Please specify which anticipated NYISO market(s).
 3. As part of an NWA? If yes, please specify which associated NWA.
 4. Program or market not listed? If yes, please describe.
- d. Indicate whether the ESS and DG system inverter(s)/converter(s) are DC-coupled or AC-coupled and provide the following:
 1. DER Nameplate Ratings:

¹ ESS may have restricted charge/discharge to be defined in Question 2e

² Market participation information is non-binding but may be used to verify operating characteristics and metering configuration. Participation in NYISO markets and NWA programs may influence the technical study.

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- i. Storage inverter rating (kW) for AC-coupled or stand-alone systems;
 - ii. DG inverter rating (kW) for AC-coupled systems (if DG present); or
 - iii. DG + ESS inverter rating (kW) for DC-coupled systems.
2. Storage capacity (kWh)³
- e. Provide specification data/rating sheets for both the AC and/or DC components including the manufacturer, model, and nameplate ratings (kW) of the inverter(s)/converters(s) and controllers for the ESS and/or DG system, and capacity of ESS unit(s) (kWh).
 - f. Indicate the type of Energy Storage (ES) technology to be used. For example, NaS, Dry Cell, PB-acid, Li-ion, vanadium flow, etc.
 - g. Will the proposed project provide both real power and reactive power (PQ injection)?
 - h. Will the proposed project provide reactive power control, either via volt/VAR mod or specific power factor?
 - i. Indicate whether the interconnected inverters inverter(s)/converter(s) is/are compliant to the latest versions of the following additional standards. If partially compliant to subsections of the latest standards, please list those subsections:
 1. IEEE 1547a-2018
 2. UL 1741 including supplement B (“UL 1741 SB”), with settings as specified in the PSEG Long Island’s technical requirements document and its supplement SA
 - j. List the system’s maximum import in kW AC, including any equipment and ancillary loads (i.e., HVAC) to be installed to facilitate the ESS installation.
 - k. Indicate desired ramp rates in kW/second during charging and discharging (worst case will be assumed if not provided). Please attach a charge and discharge data/curve.
 - l. Is the ESS symmetrical or asymmetrical (e.g., charge magnitude equivalent to discharge magnitude)? Provide proposed inverter(s) power factor operating range and anticipated operational setpoints⁴ in the context of the expected two-quadrant or four-quadrant operation
 - m. Indicate the maximum potential change in power magnitude expressed in equipment limitations such as per-second, minute, hour, or day and kW or % of kW as applicable.
 - n. Indicate any specific operational limitations that will be imposed (e.g., will not charge or discharge across PCC between 2-7 pm on weekdays; ESS will not charge at any time that would increase customers peak demand, etc.). Charge/discharge at any time (24 hours) will be assumed by LIPA if not provided.
 - o. Provide a summary of protection and control scheme functionality and provide details of any integrated protection of control schematics and default settings within controllers.
 - p. Submit control schemes, electrical configurations, and sufficient details for PSEG Long Island to review and confirm acceptance of proposal. Detail any integrated control scheme(s) that are included in the interconnected inverter(s)/converters including a sequence of operations for expected events, energy flows, or power restrictions. For example, provide details if the ESS can be charged only through the DG input, or if the ESS can be switched to be charged from the line input, or if a control scheme is proposed to prohibit power flow directionality or peak values.

³ Kilowatt hour rating values are typically not utilized for impact review outside of a utility performance requirement under and NWA solution. However, kWh is required for utility reporting and is a mandatory date field.

⁴ Final setpoints are subject to change per utility’s direction

APPENDIX J

Provide details on grounding of the interconnected ESS and/or DG system to meet LIPA's effective grounding requirements.

- q. Provide short circuit current capabilities and harmonic output from the hybrid ESS project or stand-alone ESS.
- r. If the intended use case for the ESS includes behind-the-meter backup services, please provide a description and documentation illustrating how the entire system disconnects from the LIPA System during an outage (e.g., mechanical or electronic, coordination, etc.).

Optional Questions:

Questions in this section are not required for a complete application, although any responses provided may support PSEG Long Island's decision to review the project performance in a manner that could result in less impact to the customer interconnection.

- a. Indicate whether the interconnected inverters inverter(s)/converter(s) is/are compliant to the latest versions of the following additional standards. If partially compliant to subsections of the latest standards, please list those subsections: a. SunSpec Common Smart Inverter Profile (CSIP) v2.103-15-2018
- b. Any other recognized standard or practice. Indicate the maximum frequency of change in operating modes (*i.e.*, charging to discharging and vice-versa) that will be allowed based upon control system configurations.
- c. Provide details on standard communication as follows:
 - a. Hardware interfaces that are available, *e.g.*, TCP/IP, serial, etc.
 - b. Protocols that are available, *e.g.*, MODBUS, DNP-3, 2030.5, etc.
 - c. Data models that are available, *e.g.*, 61850-90-7, SunSpec, MESA, 2030.5, OpenADR, etc.
- d. Provide details on whether the inverter(s)/converter(s) have any intrinsic grid support functions, such as autonomous or interactive voltage and frequency support. If so, please describe these functions and default settings.

APPENDIX K

Appendix K – Project Construction Schedule

Applicant Name:

Project/PAM Number:

Developer:

*This Interconnection schedule depends upon receipt of funds along with notification to proceed, executed Interconnection Agreement, weather, equipment delivery, public opposition to right-of-way and timely Customer design submittals. Close coordination is required to sequence construction and planned interruption events. As a result, any final schedule requires mutual agreement and would be subject to change.

Milestone	Estimated Time Duration to Completion (Weeks)	Responsible Party
30 % Payment		Interconnection Customer
Administrative Setup		PSEG Long Island
Customer Submittals One Line and Three Line Diagrams Stamped Site Plans		Interconnection Customer
Review of drawings, shop drawings and Relay Setting		PSEG Long Island
Design Queue		PSEG Long Island
Permitting/Easements		PSEG Long Island
Upgrade Design – Line/POI/Substation Design		PSEG Long Island: Complete design to the point of material ordering
Progress Payment**		Interconnection Customer
Scheduling/Procurement Updated Construction Schedule		PSEG Long Island / Provide an Updated Construction Schedule
Construction – Line/POI/Substation		PSEG Long Island /Interconnection customer
Verification Test Coordination Customer Witness Testing Energization/Permission to Operate		PSEG Long Island /Interconnection customer <i>Customer submittals required to be <u>approved to schedule test</u></i>
Total Project Duration		PSEG Long Island /Interconnection Customer

a. **The sequence of Milestone schedule might change for Non-CESIR projects.

APPENDIX L

Appendix L – Small Generator Certificate Of Completion

Is the Small Generator unit owner-installed? Yes _____ No _____

Installed System Total Output: _____ kW DC and _____ kW AC

Installed Energy Storage Total Output: _____ kW AC and _____ kWh

Interconnection Customer: _____

Contact Person: _____

Address: _____

Location of the Small Generator (if different from above):

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

Electrician:

Name: _____

Address: _____

City: _____ State: _____ Zip Code: _____

Telephone (Day): _____ (Evening): _____

Fax: _____ E-Mail Address: _____

License number: _____

Date Approval to Install Facility granted by LIPA: _____

Application PAM ID number: _____

Inspection:

The Small Generator has been installed and inspected in compliance with the local

building/electrical code of _____

Signed (Local electrical wiring inspector, or attach signed electrical inspection):

Print Name: _____

Date: _____

**APPENDIX M
INTERCONNECTION AGREEMENT
FOR A SYSTEM
GREATER THAN 5 MW AND LESS THAN 10 MW**

Appendix M - Interconnection Agreement For A System Greater Than 5 MW And Less Than 10 MW

~~Greater Than 5 MW And Less Than 10 MW~~

**INTERCONNECTION AGREEMENT
FOR A SYSTEM
GREATER THAN 5 MW AND LESS THAN 10 MW
AT [ADDRESS]**

BETWEEN

LONG ISLAND LIGHTING COMPANY D/B/A LIPA

AND

[PARTY NAME]

**APPENDIX M
INTERCONNECTION AGREEMENT
FOR A SYSTEM
GREATER THAN 5 MW AND LESS THAN 10 MW**

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THIS INTERCONNECTION AGREEMENT (this “Agreement”) is made and entered into this ___ day of _____, _____ by and between Long Island Lighting Company doing business as LIPA (“LIPA”), a corporation organized under the laws of the State of New York and a wholly-owned subsidiary of Long Island Power Authority (“Authority”) which is a corporate municipal instrumentality and political subdivision of the State of New York, each with its headquarters at 333 Earle Ovington Boulevard, Uniondale, New York 11553 and [PARTY NAME] organized under the laws of the State of [_____] (“Generator”), with its offices at [PARTY ADDRESS]. LIPA and Generator may be jointly referred to in this Agreement as the “Parties,” or individually as a “Party.” T&D Manager is not a party to this Agreement and is executing this Agreement solely on behalf of and as agent for LIPA.

WHEREAS, LIPA owns electric facilities and is engaged in the generation, transmission, distribution, and sale of electric energy in the State of New York; and

WHEREAS, T&D Manager is LIPA’s agent, will administer this Agreement and shall be LIPA’s representative in all matters related to this Agreement, including all attached exhibits as applicable; and

WHEREAS, Generator intends to construct, own, operate, and maintain (or cause to be constructed, operated, and maintained) an electric power generation facility (the “Plant”) to be located at [ADDRESS]; and

WHEREAS, Generator desires to interconnect the Plant with LIPA’s System; and

WHEREAS, LIPA desires to interconnect LIPA’s System with the Plant;

NOW THEREFORE, in consideration of the mutual covenants and promises set forth below, and for other good and valuable consideration, the receipt, sufficiency, and adequacy of which are hereby acknowledged, the Parties, intending to be legally bound, hereby covenant, promise, and agree as follows:

ARTICLE 1
CONSTRUCTION AND DEFINITIONS

1.1 Construction. Any references herein to this Agreement, or to any other agreement, shall include any exhibits, attachments, and addenda hereto and amendments thereto, as the same may be amended from time to time.

1.2 Definitions. Any term used in this Agreement and not defined herein shall have the meaning customarily attributed to such term by the electric utility industry in the State of New York. When used with initial capitalization, unless otherwise defined herein, whether singular or plural, the following terms, as used in this Agreement, shall have the meanings as set forth below:

“**Affiliate**” means any other entity directly or indirectly controlling or controlled by or under direct or indirect common control of a specified party. For purposes of this definition, “control” means the power to direct the management and policies of such entity or specified party, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. A voting interest of ten percent (10%) or more shall create a rebuttable presumption of control. The Parties acknowledge that the T&D Manager shall not be construed to be an Affiliate of LIPA as such term is defined and used herein.

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“**Agreement**” shall have the meaning identified in the Preamble and shall include all exhibits, schedules, appendices, and other attachments hereto and amendments thereto that may be made from time to time pursuant to the terms of this Agreement.

“**Arbitrators**” shall have the meaning set forth in Section 10.4 of this Agreement.

“**Authority**” shall have the meaning set forth in the Preamble, including its successors and assigns as permitted hereunder.

“**Business Day**” means any day on which the Federal Reserve Member Banks in New York City are open for business, and shall extend from 8:00 a.m. until 5:00 p.m. local time for each Party’s principal place of business.

“**Commercial Operation Date**” means the date on which the Plant has successfully completed its Performance Test and all tests required in accordance with NYISO procedures to provide Output in the corresponding NYISO markets in accordance with the applicable rules promulgated by the NYISO, and is available and capable of delivering Output pursuant to the terms of this Agreement.

“**Confidential Information**” shall have the meaning set forth in Section 15.1 of this Agreement.

“**Cure Plan**” shall have the meaning set forth in Section 9.2(b)(ii) of this Agreement.

“**Date of Initial Interconnection**” means the date on which the Plant is first electrically interconnected to LIPA’s System, which is intended to occur on or before [DATE].

“**Demarcation Point**” means the point of electrical interconnection between Generator’s Interconnection Facilities and LIPA’s Interconnection Facilities, located at [ADDRESS], as set forth in Exhibit A hereto.

“**Disclosing Party**” shall have the meaning set forth in Section 15.1 of this Agreement.

“**Energy Storage System**” means a commercially-available mechanical, electrical or electro-chemical means to store and release electrical energy, and its associated electrical inversion device and control functions that may stand-alone or be paired with a distributed generator at a point of common coupling.

“**Environmental Law**” means all former and current federal, state, local, and foreign laws (including common law), treaties, regulations, rules, ordinances, codes, decrees, judgments, directives or orders (including consent orders) and Environmental Permits, in each case, relating to pollution or protection of the environment or natural resources, including laws relating to Releases or threatened Releases, or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, arrangement for disposal, transport, recycling or handling of Hazardous Substances.

“**Environmental Permits**” means the permits, licenses, consents, approvals and other governmental authorizations, with respect to Environmental Laws relating primarily to the operation of the Plant.

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“Event of Default” shall have the meaning set forth in Section 9.1 of this Agreement.

“FERC” means the Federal Energy Regulatory Commission or any successor agency thereto.

“FOIL” shall have the meaning set forth in Section 15.3 of this Agreement.

“Force Majeure Event” shall have the meaning set forth in Article 12 of this Agreement.

“Generator” shall have the meaning set forth in the Preamble, including its successors and assigns as permitted hereunder. Generator means the distributed generation facilities and Energy Storage System approved by the T&D Manager with a nameplate capacity of less than 10 MW located on the Interconnection Customer’s premises at the time T&D Manager approves such generator for operation in parallel with LIPA’s system. This Agreement relates only to such generator. The nameplate generating and energy storage capacity shall not exceed 10 MW in aggregate.

“Generator’s Interconnection Facilities” means all facilities and equipment identified on Exhibit A, that are located between the Plant and the Demarcation Point, including any modification, addition, upgrades or replacement of such facilities and equipment, necessary to Interconnect the Plant with LIPA’s System. Generator’s Interconnection Facilities are sole use facilities.

“Good Utility Practice” means any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry in the State of New York during the term of this Agreement, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time a decision is made, could have been expected to accomplish the desired results at a reasonable cost consistent with good business practices, reliability, safety, and expedition. Good Utility Practices is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to delineate acceptable practices, methods or acts generally accepted by a significant portion of the electric utility industry operating in the State of New York.

“Hazardous Substance” means (i) any petrochemical or petroleum products, crude oil or any fraction thereof, ash, radioactive materials, radon gas, asbestos in any form, urea formaldehyde foam insulation or polychlorinated biphenyls, (ii) any chemicals, materials, substances or wastes defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “restricted hazardous materials,” “extremely hazardous substances,” “toxic substances,” “contaminants” or “pollutants” or words of similar meaning and regulatory affect contained in any Environmental Law or (iii) any other chemical, material, substance or waste which is prohibited, limited or regulated by any Environmental Law.

“Indemnified Party” shall have the meaning set forth in Section 11.1 of this Agreement.

“Indemnifying Party” shall have the meaning set forth in Section 11.1 of this Agreement.

“Interconnection” means the electrical interconnection of the Plant with LIPA’s System.

“Interconnection Customer” means the owner of the Generator or any entity that proposes to interconnect with LIPA’s Distribution System.

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“Interconnection Facilities” means Generator’s Interconnection Facilities, if any, and LIPA’s Interconnection Facilities. Collectively, Interconnection Facilities include all facilities and equipment between the Plant and the Point of Attachment, including any modifications, additions, upgrades or replacements that are necessary to physically and electrically interconnect the Plant to LIPA’s System. Interconnection Facilities are sole use facilities and shall not include additions, modifications or upgrades to LIPA’s System.

“Interest Rate” shall have the meaning set forth in Section 3.4 of this Agreement.

“Lenders” means any Person, or agent or trustee of such Person, who provides financing for the Plant.

“LIPA” shall have the meaning set forth in the Preamble, including its successors and assigns as permitted hereunder.

“LIPA’s System” means the electric transmission and distribution system owned by LIPA and consisting of all real and personal property, equipment, machinery, tools and materials, and other similar items relating to the transmission and distribution of electricity to LIPA’s customers.

“LIPA’s Interconnection Facilities” means all facilities and equipment identified on Exhibit A, that are located between the Demarcation Point and the Point of Attachment, including any modifications, additions, upgrades or replacements of such facilities and equipment. LIPA’s Interconnection Facilities are sole use facilities and shall not include additions, modifications or upgrades to LIPA’s System.

“Material Modification” means a Modification to a Unit that may have adverse impacts on the LIPA’s system, LIPA customers, other projects, or applications in the interconnection queue.

“Metering Devices” means all meters, metering equipment, data processing equipment, and associated equipment used to measure, record or transmit data relating to the provision and transmission of Output from LIPA’s System to customers pursuant to the terms of this Agreement.

“Modification” means a change to the ownership, equipment, equipment ratings, equipment configuration, or operating conditions of the Unit.

“NYCA” means the New York Control Area.

“NYISO” means the New York Independent System Operator or any successor thereto that administers the wholesale electricity markets in the State of New York substantially as a whole, including without limitation, any regional transmission organization so authorized by the FERC.

“Other Party Group” shall have the meaning set forth in Section 11.10. (e) of this Agreement.

“Output” means collectively, the capacity, energy, and ancillary services produced by the Plant.

“Party” or **“Parties”** shall have the meaning set forth in the Preamble, together with any successor or assign, as permitted hereunder, of either.

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“Plant” shall have the meaning set forth in the Recitals, including the balance of plant equipment, fuel handling facilities, step-up transformer(s), output breakers, and necessary generation and transmission lines to connect to the Demarcation Point, and associated protective equipment.

“Performance Test” means the performance tests as more fully described in Exhibit J (D) hereto.

“Point of Attachment” means the point, as set forth in Exhibit J (A), where the Interconnection Facilities connect to LIPA’s System.

“Project Site” means that parcel of land where the Plant is located and described in the attached Appendix A; and located in [ADDRESS].

“Receiving Party” shall have the meaning set forth in Section 15.1(a) of this Agreement.

“Records” shall have the meaning set forth in Section 16.3 of this Agreement.

“Release” means any actual or threatened release, spill, emission, emptying, escape, leaking, dumping, injection, pouring, deposit, disposal, discharge, dispersal, leaching or migration into the environment or within any building, structure, facility or fixture.

“RTO” means any regional transmission organization/independent transmission operator or organization, which is approved by the FERC pursuant to FERC Order No. 2000.

“Statute” shall have the meaning set forth in Section 16.3 of this Agreement.

“Summer Season” means, after the Commercial Operation Date, each of the periods from June 1 through September 30 of any year during the term of this Agreement.

“System Emergency” means the existence of a physical or operational condition or the occurrence of an event which, at the time of such occurrence or event that: (i) in the judgment of the Party making the claim, is imminently likely to endanger life or property, or (ii) in the case of LIPA, impairs or will imminently impair the safety and/or reliability of LIPA’s System or LIPA’s Interconnection Facilities, or (iii) in the case of Generator, impairs or will imminently impair the safety and/or reliability of the Plant or Generator’s Interconnection Facilities. System restoration and black start are part of a System Emergency, provided that Generator is not obligated to possess black start capability.

“System Pre-Emergency” means the existence of a physical or operational condition or the occurrence of an event which, at the time of such occurrence or event, could reasonably be expected, if permitted to continue, to lead to a System Emergency.

“T&D Manager” also referred to herein as **“PSEG Long Island,”** means Long Island Electric Utility Servco LLC, a wholly owned subsidiary of PSEG Long Island LLC, which has managerial responsibility for the day-to-day operational maintenance of, and capital investment to, the electric transmission and distribution system owned by LIPA as of January 1, 2014, pursuant to that Amended Restated Operations Services Agreement, dated as of December 31, 2013, as amended and restated by the Second Amended and Restated Operations Services Agreement (“OSA”) dated as of December 15, 2021, that became

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effective on April 1, 2022, or any successor or assignee thereof providing certain operation, maintenance and other services to LIPA. T&D Manager administers this Agreement on LIPA's behalf as its agent.

ARTICLE 2
TERM

This Agreement shall become effective (the "Effective Date") upon execution by both Parties, and shall remain in full force and effect, subject to termination as provided herein, for a period of ten (10) years from the Effective Date or such other longer period as the Generator may request and shall be automatically renewed for each successive one-year period thereafter. Generator shall have the right to cease operation of the Plant and terminate this agreement upon thirty (30) days' notice to LIPA. Either Party may terminate this Agreement in accordance with Article 9.

ARTICLE 3
BILLING AND PAYMENT

3.1. Billing Procedures. Within twenty (20) Business Days after the first (1st) day of each month, each Party shall prepare an invoice for any outstanding and due costs, fees or other payments owed it by the other Party pursuant to this Agreement or otherwise subject to reimbursement by Generator. Each invoice shall delineate the month in which such costs or services were incurred or provided, shall fully describe the costs or services incurred or rendered, and shall be itemized to reflect the incurrence of such costs and the provision of such services. Each Party shall pay the undisputed invoiced amount, if any, to the other Party on or before the thirtieth (30) day following receipt of the other Party's invoice. Payment of invoices by either Party shall not relieve the paying Party from any responsibilities or obligations it has under this Agreement, nor shall it constitute a waiver of any claims arising hereunder nor shall it prejudice either Party's right to question the correctness of such billing.

3.2 Billing Payment Addresses

- i. T&D Manager:
PSEG Long Island
Power Asset Management (PAM)
175 East Old Country Road
Hicksville, New York 11801
Attention: Manager, PSEG Long Island Power Asset Management

With a copy to LIPA:
Long Island Power Authority
333 Earle Ovington Boulevard, Suite 403
Uniondale, New York 11553
Attention: Vice President of Power Markets

- ii. Generator:
[NAME]
[ADDRESS]
Attention:

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Fax: _____

or such other and different addresses as may be designated in writing by the Parties.

3.3 Billing Disputes.

- (a) Notice. A Party receiving any invoice from the other Party shall examine same to ensure that it has been calculated correctly, and shall promptly notify the billing Party of any errors therein which the receiving Party in good faith believes have been made, along with the facts providing the basis for such belief. The billing Party will promptly review such complaint and reply to the specific claims made by the receiving Party.
- (b) Dispute Resolution. If the Parties are unable to settle the contested portion of any invoice, such dispute shall be settled in accordance with Article 10.
- (c) Obligation to Pay Uncontested Amounts. The existence of a dispute with regard to any payment due shall not relieve the indebted Party of any obligation to timely pay any uncontested amounts due under this Agreement or from fulfilling any other obligation under this Agreement.
- (d) Payment of Disputed Amounts. Upon resolution of a dispute in respect to any disputed amount, a party shall pay interest on any unpaid amount determined to be owed to the other party from the date due under the original invoice until date of payment. Such interest shall be computed at the effective interest rate as established by Section 2880 of the Public Authorities Law of the State of New York, and any successor thereto (the "Interest Rate").
- (e) Deadline for Disputing Amounts. Except in instances where it is demonstrated that fraud hindered the discovery of billing errors, any claims for adjustments must be made within two (2) years of when the invoice was issued.

3.4 Interest. If either Party fails to make any payment required by this Agreement when due, including contested portions of invoices, or if due to an incorrect invoice issued by a Party, the other Party may request an overpayment requiring a refund by the billing Party, such amount due shall bear interest at the Interest Rate for each day from the due date of the payment or the date on which the overpayment was made until the date of payment. Payments mailed on or before the due date shall not be charged interest for the period of mailing. If the due date of any payment falls on a Sunday or legal holiday, the next Business Day shall be the last day on which payment can be made without interest charges being assessed.

3.5 Survival. The provisions of this Article 3 shall survive termination, expiration, cancellation, suspension, or completion of this Agreement to the extent necessary to allow for final billing and payment.

**ARTICLE 4
REGULATORY APPROVALS**

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4.1 Generator shall be responsible for obtaining and maintaining the effectiveness of all necessary governmental permits required for Generator to construct, operate maintain and replace Generator's Interconnection Facilities. LIPA shall be responsible for obtaining and maintaining the effectiveness of all necessary governmental permits required for LIPA to construct, operate, maintain, and replace LIPA's Interconnection Facilities.

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**ARTICLE 5
SALE OF ELECTRICITY**

There shall be no sale of electricity to LIPA under this Agreement.

**ARTICLE 6
INSTALLATION, OPERATION, AND MAINTENANCE
OF THE INTERCONNECTION FACILITIES**

6.1 LIPA shall interconnect the Plant with LIPA's System at the Point of Attachment, permit the Plant to operate in parallel with LIPA's System, and shall provide all services reasonably necessary to achieve these purposes.

6.2 Generator shall be responsible, for (a) all costs of designing, engineering, procuring, constructing, installing, commissioning, testing, operating, maintaining, and replacing the Generator's Interconnection Facilities and for providing data acquisition and control interfaces to permit the safe and reliable operation of the Interconnection Facilities in accordance with Good Utility Practice and the NYISO Tariff and Rules, and (b) all costs of designing, engineering, procuring, constructing, installing, commissioning, testing, operating, maintaining, and replacing LIPA's Interconnection Facilities. An estimate of the initial cost of LIPA's Interconnection Facilities is set forth in Exhibit E. Generator shall reimburse LIPA for all costs of designing, engineering, procuring, constructing, installing, commissioning, testing, and replacing LIPA's Interconnection Facilities. Generator shall reimburse LIPA on a monthly basis for maintenance costs of the Interconnection Facilities in accordance with the applicable Service Classification tariff in LIPA's retail electric tariff (presently Service Classification No.11). LIPA, through its T&D Manager, will invoice Generator for the foregoing costs.

6.3 Generator shall design, engineer, procure, construct, install, commission, test, operate, maintain, and replace Generator's Interconnection Facilities in conformance with: (a) the design specifications, construction standards, performance requirements, and operating standards specified in Appendices B, C, and D to this Agreement; (b) the testing procedures for the Generator's Interconnection Facilities, specified in Exhibit D to this Agreement; (c) all applicable laws, rules and regulations of federal, state and local governmental authorities that have jurisdiction over Generator with respect to the Generator's Interconnection Facilities; (d) Good Utility Practice.

6.4 Generator shall design, engineer, procure, construct, install, commission, test, operate, and maintain the Plant in accordance with: (a) the design specifications, construction standards, performance requirements, and operating standards specified in Appendices B, C, and D to this Agreement; (b) the testing procedures for the Plant, specified in Exhibit D to this Agreement; (c) all applicable laws, rules and regulations of federal, state, and local governmental authorities that have jurisdiction over Generator with respect to the Plant; and (d) Good Utility Practice.

6.5 Prior to the Date of Initial Interconnection, the Parties shall jointly develop detailed testing procedures for the Interconnection Facilities, to the extent any such procedures are not adequately specified as part of the applicable NYISO Tariff and Rules or within Exhibit D.

6.6 Prior to the date of Initial Interconnection, the Parties shall also jointly develop a detailed set of coordinated operating instructions. The operating instructions shall be developed in accordance

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with this Agreement and any other binding agreement between the Parties in effect during operation of the Plant.

6.7 If applicable, LIPA shall undertake design of and performance of verification studies for the Plant.

6.8 In order for LIPA to make a timely assessment of Generator's compliance with the requirements of Section 6.4 of this Agreement, prior to the Date of Initial Interconnection, Generator will submit to LIPA for LIPA's review, engineering drawings of the Plant, including detailed one-line functional relaying drawings, three-line alternate current ("AC") schematics, and all AC and direct current control schematics associated with the Plant. Such engineering drawings shall be of sufficient scope and detail to permit LIPA to reasonably assess Generator's compliance with the design requirements of Section 6.4 of this Agreement. Generator will send final engineering drawings to LIPA at least one (1) month prior to the Date of Initial Interconnection. LIPA shall provide written approval of the final engineering drawings promptly after Generator's submission to LIPA and prior to the Date of Initial Interconnection, which written approval shall not be unreasonably withheld or delayed. The Plant shall not be interconnected with LIPA's System until the Generator's Interconnection Facilities and the Plant have been approved by the New York Board of Fire Underwriters (or other similar body having jurisdiction).

6.9 Generator shall have the right to install its own meters at the Plant and shall maintain them according to Good Utility Practice. Prior to the Commercial Operation Date, Generator shall install, to specifications provided by LIPA and at Generator's expense, adequate metering and communications equipment as described in Appendices A and B. Generator shall pay the monthly charges associated with such communication channel(s).

6.10 Except as otherwise provided herein, each Party shall maintain its equipment and facilities and perform its maintenance obligations that could reasonably be expected to affect the operations of the other Party, according to Good Utility Practice. Unless the Parties mutually agree to a different arrangement, neither Party shall be responsible for performing the maintenance of the other Party's equipment, regardless of the location of said equipment.

6.11 Each Party may request, pursuant to Good Utility Practice, that the other Party test, calibrate, verify or validate its telemetering, data acquisition, protective relay equipment, control equipment or systems, or any other equipment or software pursuant to Good Utility Practice or for the purpose of troubleshooting problems on interconnected facilities, consistent with the other Party's obligation to maintain its electric generation equipment and facilities.. In the event that such testing reveals that no problems exist with the equipment or systems in question, the Party requesting such testing shall be responsible for all costs and expenses related to the requested test(s). Each Party shall be responsible for all costs to test, calibrate, verify or validate its own equipment or software at intervals required by NYISO or any successor RTO. Each Party shall supply the Party requesting the test, at no cost to such Party, with copies of the resulting inspection reports, installation and maintenance documents, test and calibration records, verification and validations of the telemetering, data acquisition, protective relay, or other equipment or software.

6.12 From time to time, modifications may be required of the Interconnection Facilities due to, but not limited to, general usage, unforeseen damage, operating requirements of the Plant, or operating requirements of LIPA's System. When such modifications are required, the Parties will jointly determine

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the reason for the modification. Generator shall be responsible for all costs associated with modifications to the Interconnection Facilities that are required to accommodate the interconnection of Generator's Plant. Any modifications to the Interconnection Facilities during the term of this Agreement must conform to the requirements of Exhibit B to this Agreement. If deemed to be a Material Modification, the modification will be studied pursuant to the procedures in the SGIP for new applications.

ARTICLE 7
ISOLATION RIGHTS

7.1 LIPA shall be responsible for installing such equipment or control system as determined by LIPA to allow for the disconnection of the Plant from LIPA's System. LIPA shall at all times during the term of this Agreement have access to the disconnect switch as indicated in Exhibit A to this Agreement, to electrically isolate the Plant from LIPA's System pursuant to Section 7.4.

7.2 LIPA shall design, operate, and maintain LIPA's Interconnection Facilities so such equipment or control system automatically disconnects the Plant from LIPA's System in the event of: (a) the occurrence of a fault on that portion of LIPA's System serving the Plant, in accordance with the requirements specified in this Agreement; (b) de-energization of the portion of LIPA's System that interconnects with the Plant; (c) an equipment failure or other condition occurring in the Interconnection Facilities or the Plant which creates or contributes to a System Emergency or System Pre-Emergency.

7.3 LIPA shall design, operate and maintain LIPA's Interconnection Facilities to fail in an open position, so that the Plant and LIPA's System will disconnect if there is any failure of a disconnect device on the Interconnection Facilities.

7.4 LIPA shall give advance notice to Generator of the need for disconnection of the Plant from LIPA's System, and coordinate with Generator on any such disconnection of the Plant, provided however, that LIPA may, in accordance with Good Utility Practice, disconnect the Plant without prior notice to Generator and maintain such disconnection if:

- (a) failing to disconnect the Plant from LIPA's System would create or contribute to a System Emergency or System Pre-Emergency;
- (b) immediate maintenance operations are required on LIPA's System to prevent a System Emergency or System Pre-Emergency; or
- (c) isolation is required to facilitate restoration of system outages or for safety considerations.

7.5 Whenever LIPA disconnects the Plant without prior notice to Generator, LIPA shall provide immediate oral notice, to be followed by written notice to Generator within one (1) day of such disconnection, which oral and written notice shall provide the reason, and, if possible, the expected duration of such disconnection.

7.6 LIPA may also request Generator to disconnect the Plant to perform non- immediate maintenance operations on LIPA's System that (a) are consistent with Good Utility Practice, including disconnecting the Plant in order to interconnect another generator to LIPA's System, and (b) require the Plant to be disconnected in order for LIPA to perform such maintenance on LIPA's System, provided that

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a minimum of twenty-four (24) hours of advance notice and an estimate of the duration of such disconnection are provided to Generator by LIPA. To the extent possible, LIPA will schedule all such maintenance operations of LIPA's System and LIPA's Interconnection Facilities at times that are mutually convenient for LIPA and Generator and in accordance with Good Utility Practice and taking into consideration Generator's schedule of planned outages.

7.7 Following any LIPA disconnection of the Plant, reconnection shall occur when:

- (a) all existing System Emergency or System Pre-Emergency conditions have been corrected; or
- (b) in the case of maintenance required on LIPA's System, such maintenance has been completed; and
- (c) it is safe to do so in accordance with Good Utility Practice.

7.8 Generator shall give advance notice to LIPA of the need for disconnection of the Plant from LIPA's System (other than regularly planned disconnections as required under LIPA Tariff SC-13), and coordinate with LIPA on any such disconnection of the Plant, provided however, that Generator may disconnect the Plant without prior notice to LIPA and maintain such disconnection if:

- (a) failing to disconnect the Plant from LIPA's System would create or contribute to a System Emergency or System Pre-Emergency;
- (b) immediate maintenance operations are required to prevent a System Emergency or System Pre-Emergency; or
- (c) isolation is required for safety considerations.

7.9 Whenever Generator disconnects the Plant without prior notice to LIPA, Generator shall inform LIPA as quickly as possible of the time, reason, and, if possible, the expected duration of such disconnection.

7.10 Following any Generator disconnection of the Plant, reconnection shall occur when:

- (a) all existing System Emergency or System Pre-Emergency conditions have been corrected; or
- (b) in the case of maintenance, such maintenance has been completed; and
- (c) it is safe to do so in accordance with Good Utility Practice.

ARTICLE 8
INSPECTION AND ACCESS RIGHTS

8.1 Generator shall provide LIPA with access to the Interconnection Facilities located on the Project Site at reasonable times, including weekends, and upon reasonable prior notice. The notice condition does not apply in the case of a System Emergency, and LIPA shall at all times during the term

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of this Agreement have access to the disconnect switch, as indicated in Exhibit A to this Agreement, to electrically isolate the Plant from LIPA's System pursuant to Article 7.

8.2. While at the Project Site, all representatives of LIPA shall observe such safety precautions as may be required by law or by Generator, and shall conduct themselves in a manner that is consistent with Good Utility Practice and that will not interfere with the operation of the Plant or the Generator's Interconnection Facilities.

8.3 Neither Party shall construct any facilities or structures or engage in any activities that will interfere with the rights granted to the other Party under this Agreement or rights-of-way, licenses, or easements secured by and/or for the other Party.

8.4 The access rights granted hereunder shall be effective for the term of this Agreement and shall neither be revoked, nor shall either Party take any action that would impede, restrict, diminish, or terminate the rights of access or use granted by such access rights.

8.5 Each Party shall have the right to inspect or observe, at its own expense, the maintenance activities, equipment tests, installation, construction, or other modifications to the other Party's Interconnection Facilities and associated telecommunication facilities, as the case may be, which may reasonably be expected to adversely affect the observing Party's operations or liability. The Party desiring to inspect or observe shall notify the other Party in accordance with the notification procedures set forth in Article 13 of this Agreement. If the Party inspecting the equipment, systems, or facilities observes any deficiency or defects that may be reasonably be expected to adversely affect the operations of the observing Party's system or facilities, the observing Party shall notify the other Party, and the other Party shall make any corrections necessitated by Good Utility Practice

8.6 Subject to the provisions of Section 11.1, each Party shall be solely responsible for and shall assume all liability for the safety and supervision of its own employees, agents, representatives, and subcontractors. All work performed by either Party that reasonably could be expected to affect the operations of the other Party shall be performed in accordance with all applicable laws, rules, and regulations pertaining to the safety of persons or property, including, without limitation, compliance with the safety regulations and standards adopted under the Occupational Safety and Health Act of 1970, as amended from time to time, the National Electrical Safety Code, as amended from time to time, and Good Utility Practice.

ARTICLE 9
EVENTS OF DEFAULT; TERMINATION

9.1 Event of Default. The occurrence of one or more of the following events so long as the same is continuing shall constitute an "Event of Default" under this Agreement:

- (a) Failure by either Party to substantially perform any material obligation under this Agreement, and which failure continues for a period of forty-five (45) days after notice thereof has been received by such Party from the non-defaulting Party; or

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- (b) Failure by either Party to pay any undisputed amount due under this Agreement which continues for a period of thirty (30) days after notice of such non-payment is delivered to the defaulting Party; or
- (c) The dissolution or liquidation of a Party or the issuance of any order, judgment or decree by a court of competent jurisdiction under the bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law of any jurisdiction whether now or hereafter in effect adjudicating a Party bankrupt or insolvent or otherwise granting relief under any such law; or
- (d) A Party petitions or applies to any tribunal for, or consents to the appointment of or taking possession by, a receiver, liquidator, custodian, trustee or similar official of such Party or of a substantial part of the assets of such Party; or any such petition or application is filed or any such proceedings are commenced against a Party and such Party by any act indicates its approval thereof, consent thereto or acquiescence therein or such petition or application remains undismissed for sixty (60) days; or
- (e) A Party makes a general assignment for the benefit of its creditors or makes an admission in writing that it is unable to pay its debts generally as they become due; or
- (f) The revocation or loss of any license, permit, or other governmental approval (i) materially affecting Generator's ability to operate the Plant or Generator's Interconnection Facilities, or (ii) materially affecting LIPA's ability to operate LIPA's Interconnection Facilities, provided that but for Generator's or LIPA's negligence, as the case may be, no such revocation or loss of such license, permit or other governmental approval would have ensued.

9.2 Notice and Opportunity to Cure Event of Default. Upon actual discovery of an Event of Default, a Party claiming the occurrence of such Event of Default must promptly provide the alleged defaulting Party with a Notice of Default and the defaulting Party shall have, in the case of failure to pay any undisputed amount, thirty (30) days and, in other defaults, forty-five (45) days to complete one of the following:

- (a) cure the Event of Default; or
- (b) if such default reasonably requires additional time to cure then such defaulting Party will, from the date such Party receives the Notice of Default, have (i) such longer time as is reasonable under the circumstances, not to exceed the greater of one hundred and eighty (180) days or to the mid-point of the next Summer Season to complete such cure or (ii) if the defaulting Party provides a commercially reasonable cure plan acceptable to the other Party that requires more time than provided in Section 9.2 above ("Cure Plan"), then the defaulting Party shall be extended such additional time provided for in the Cure Plan to cure the Event of Default and the other Party shall have no right to terminate this Agreement, provided that the defaulting Party diligently pursues such Cure Plan; or
- (c) undertake dispute resolution pursuant to Article 10.

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9.3 Dispute of Claim of Event of Default. If, within thirty (30) days of the service of a Notice of Default pursuant to Section 9.2, the Party alleged to be in default disputes in writing that an Event of Default has occurred, either Party may seek resolution of such dispute pursuant to the terms of Article 10, and this Agreement shall not be terminated by the Party claiming the occurrence of the Event of Default prior to such resolution of such dispute pursuant to the procedures of Article 10.

9.4 Remedies. This Agreement may be terminated by the non-defaulting Party effective immediately upon the non-defaulting Party providing written notice to the defaulting Party of termination if: (a) the defaulting Party or its Lenders fail to cure the Event of Default within the cure periods provided under Section 9.2 and any action for dispute resolution under Article 10 with respect to the alleged Event of Default has been completed and not determined favorably to the allegedly defaulting party; or (b) through the dispute resolution process under Article 10, it is determined that an Event of Default has occurred and the defaulting Party, pursuant to terms of this Agreement has not cured or diligently endeavored to cure, the default, as the case may be. Upon termination, the non-defaulting Party shall be entitled to such damages as are available at law and equity, subject to Article 11 hereof. The termination of this Agreement under this Section 9.4 shall not discharge either Party from any obligations, which may have accrued under this Agreement prior to such termination.

**ARTICLE 10
DISPUTE RESOLUTION**

10.1 Any dispute arising out of, or relating to, this Agreement, with the exception of termination pursuant to Section 9.4 or a breach of a Party's indemnity obligations under Article 11 or a Party's obligations under Article 15 of this Agreement, shall be subject to the dispute resolution procedures specified in this Article 10 which shall constitute the sole and exclusive procedures for the resolution of such disputes.

10.2 The Parties agree to use commercially reasonable efforts to settle promptly any disputes or claims arising out of or relating to this Agreement through negotiation conducted in good faith between executives of the Parties having authority to reach such a settlement. Either Party may by written notice to the other Party, refer any such dispute or claim for advice or resolution to mediation by a suitable mediator. The mediator shall be chosen by the mutual agreement of the Parties. If the Parties are unable to agree on a mediator, each Party shall designate a qualified mediator who, together with the mediator designated by the other, shall choose a single mediator for the particular dispute or claim. If the mediator chosen is unable, within thirty (30) days of such referral to reach a determination that is acceptable to the Parties, the matter shall be referred to arbitration as set forth below. All negotiation and mediation discussions pursuant to this Section 10.2 shall be confidential, subject to applicable law, and shall be treated as compromise and settlement negotiations for purposes of Federal Rule of Evidence 408 and applicable state rules of evidence.

10.3 Except for claims for temporary injunctive relief under Section 10.5, neither Party shall bring any action at law or in equity to enforce, interpret, or remedy any breach or default of this Agreement without first complying with the provisions of this Article 10; provided however, that if the Arbitrators (as defined below) fail to issue a decision within one hundred eighty (180) days after the commencement of arbitration under Section 10.4, then either Party may bring any action at law or in equity to seek enforcement, interpretation or remedy of any breach of this Agreement.

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10.4 Any dispute subject to resolution under this Article 10, which has not been resolved by discussion or mediation within thirty (30) days from the date that either negotiations or mediation shall have commenced and which is not subject to the FERC's jurisdiction shall be settled by arbitration before three (3) independent and impartial arbitrators (the "Arbitrators") in accordance with the then current commercial arbitration rules of the American Arbitration Association, except to the extent that such rules are inconsistent with any provision of this Agreement, in which case the provisions of this Agreement shall be followed, and except that the arbitration under this Agreement shall not be administered by the American Arbitration Association without the express agreement of the Parties. The Arbitrators shall be (i) independent of the Parties and disinterested in the outcome of the dispute, (ii) persons otherwise experts in the electric utility industry, including bulk power markets and transmission systems, and (iii) qualified in the subject area of the issue in dispute. The Parties shall choose the Arbitrators within thirty (30) days, with each Party choosing one Arbitrator and those two Arbitrators choosing the third Arbitrator. Judgment on the award rendered by the Arbitrators may be entered in any court in the State of New York having jurisdiction thereof. If either Party refuses to participate in good faith in the negotiations or mediation proceedings described in Section 10.2, the other Party may initiate arbitration at any time after such refusal without waiting for the expiration of the applicable time period. Except as provided in Section 10.5 relating to provisional remedies, the Arbitrators shall decide all aspects of any dispute brought to them including attorney disqualification and the timeliness of the making of any claim.

10.5 Either Party may, without prejudice to any negotiation, mediation or arbitration procedures, proceed in the courts of the State of New York to obtain provisional judicial relief if, in such Party's sole discretion, such action is necessary to protect public safety, avoid imminent irreparable harm, provide uninterrupted electrical and other services, or preserve the status quo pending the conclusion of any dispute resolution procedures employed by the Parties or pendency of any action at law or in equity. Except for temporary injunctive relief under this Section, neither Party shall bring any action at law or in equity to enforce, interpret, or remedy any breach or default of this Agreement without first complying with the provisions of this Article; provided, however, that if the Arbitrators fail to issue a decision within one hundred eighty (180) days after the commencement of arbitration under Section 10.3, then either Party may bring any action at law or in equity to seek enforcement, interpretation or remedy of any breach of this Agreement.

10.6 The Arbitrators shall have no authority to award damages excluded under Article 11 or any other damages aside from the prevailing Party's actual, direct damages plus interest at the Interest Rate for each day commencing on the date such damages were incurred through date of payment. The Arbitrators shall not have the authority to make any ruling, finding, or award that does not conform to the terms and conditions of this Agreement. The Arbitrators' award shall be in writing and shall set forth the factual and legal bases for the award. The Parties to the arbitration shall each bear their own litigation expenses for the arbitration and shall evenly divide the common costs of the arbitration.

10.7 Unless otherwise agreed to in writing or prohibited by applicable law, the Parties shall continue to provide service, honor all commitments under this Agreement, and continue to make payments in accordance with this Agreement during the course of any dispute resolution under this Article and during the pendency of any action at law or in equity or any arbitration proceeding relating hereto.

10.8 All applicable statutes of limitation and defenses based upon the passage of time and similar contractual limitations shall be tolled while the procedures specified in this Article 10 are pending.

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The Parties will take such action, if any, required to effectuate such tolling. Without prejudice to the procedures specified in this Article 10, a Party may file a complaint for statute of limitations purposes, if in its sole judgment such action may be necessary to preserve its claims or defenses. Despite such action, the Parties will continue to participate in good faith in the procedures specified in this Article 10.

10.9 The Arbitrators shall have the discretion to order a pre-hearing exchange of information by the Parties, including, without limitation, the production of requested documents, the exchange of summaries of testimony of proposed witnesses, and the examination of the Parties by deposition. The Parties hereby agree to produce all such information as ordered by the Arbitrators and shall certify that they have provided all applicable information and that such information was true, accurate and complete

10.10 The site of any arbitration brought pursuant to this Agreement shall be in a location in Nassau County, New York County or Suffolk County as is mutually agreed to by the Parties.

**ARTICLE 11
INDEMNITY, LIMITATION OF LIABILITY; INSURANCE**

11.1 Indemnity. Each Party (the “Indemnifying Party”) shall at all times indemnify, defend, and hold the other Party and T&D Manager (the “Indemnified Party”) harmless from, any and all damages, losses, claims, including claims and actions relating to injury to or death of any person or damage to property, the alleged violation of any Environmental Law, or the release or threatened release of any Hazardous Substance, demands, suits, recoveries, costs and expenses, court costs, attorneys’ fees, and all other obligations by or to third parties, arising out of or resulting from (a) the Indemnifying Party’s performance of its obligations, or its actions or inactions, under this Agreement, except as expressly provided otherwise herein, (b) the Indemnified Party’s actions or inactions in performing obligations on behalf of the Indemnifying Party in accordance with this Agreement, except in cases of gross negligence or intentional wrongdoing by the Indemnified Party or (c) the violation by the Indemnifying Party of any Environmental Law or the release by the Indemnifying Party of any Hazardous Substance.

11.2 Indemnified Party. If an Indemnified Party is entitled to indemnification under this Article 11 as a result of a claim by a third party, and the Indemnifying Party fails, after notice and reasonable opportunity to proceed under this Article 11, to assume the defense of such claim, such Indemnified Person may at the expense of the Indemnifying Party contest, settle or consent to the entry of any judgment with respect to, or pay in full, such claim.

11.3 Indemnifying Party. If an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 11, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party’s actual loss, net of any insurance or other recovery, except that any insurance carrier shall be subrogated to the Indemnified Party’s interest to the extent of any insurance recovery paid to the Indemnified Party.

11.4 Indemnity Procedures. Promptly after receipt by an Indemnified Party of any claim or notice of the commencement of any action or administrative or legal proceeding or investigation as to which the indemnity provided for in this Article 11 may apply, the Indemnified Party shall notify the Indemnifying Party of such fact. Any failure of or delay in such notification shall not affect a Party’s indemnification obligation unless and to the extent that such failure or delay is materially prejudicial to the Indemnifying Party.

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11.5 Except as stated below, the Indemnifying Party shall have the right to assume the defense thereof with counsel designated by such Indemnifying Party and reasonably satisfactory to the Indemnified Party. If the defendants in any such action include one or more Indemnified Parties and the Indemnifying Party and if the Indemnified Party reasonably concludes that there may be legal defenses available to it and/or other Indemnified Parties which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on its own behalf. In such instances, the Indemnifying Party shall only be required to pay the fees and expenses of one additional attorney to represent an Indemnified Party or Indemnified Parties having such differing or additional legal defenses.

11.6 The Indemnified Party shall be entitled, at its expense, to participate in any such action, suit or proceeding, the defense of which has been assumed by the Indemnifying Party. Notwithstanding the foregoing, the Indemnifying Party (i) shall not be entitled to assume and control the defense of any such action, suit or proceedings if and to the extent that, in the opinion of the Indemnified Party and its counsel, such action, suit or proceeding involves the potential imposition of criminal liability on the Indemnified Party, or there exists a conflict or adversity of interest between the Indemnified Party and the Indemnifying Party, in which event the Indemnifying Party shall pay the reasonable expenses of the Indemnified Party, and (ii) shall not settle or consent to the entry of any judgment in any action, suit or proceeding without the consent of the Indemnified Party, which shall not be unreasonably withheld, conditioned or delayed.

11.7 LIPA Equipment Design and Review. Notwithstanding any other provisions of this Agreement, neither LIPA or T&D Manager, or their officers, trustees, employees, and agents nor those of their parents shall be liable to Generator, or its contractors or subcontractors, for any claims, costs, expenses, losses, lawsuits, judgments, attorney's fees or damages arising out of LIPA's or T&D Manager's equipment design and review, except for instances arising out of LIPA's failure to act in accordance with Good Utility Practice, gross negligence or willful misconduct. Generator shall indemnify and hold LIPA and T&D Manager, and their officers, trustees, employees, and agents, harmless from any claims, costs, expenses, losses, damages or judgments made against LIPA and/or T&D Manager or incurred by any of Generator's contractors or subcontractors except for instances arising out of LIPA's failure to act in accordance with Good Utility Practice, gross negligence or willful misconduct. This indemnification and hold harmless obligation shall be separate from and independent of any other obligations of Generator to indemnify and hold harmless LIPA and its officers, directors, employees, and agents.

11.8 Consequential Damages. Except for indemnity and defense of action obligations set forth in this Article 11, in no event shall either Party or T&D Manager be liable under any provision of this Agreement for any losses, damages, costs or expenses for any special, indirect, incidental, consequential, or punitive damages (including attorney's fees or litigation costs), including but not limited to loss of profit, revenue or opportunity, loss of the use of equipment or facilities, cost of capital, cost of temporary or substitute equipment, facilities, services or replacement power, down time costs; and claims of customers of either Party, connected with, or resulting from, performance or non-performance of this Agreement or any action undertaken in connection with, or related to this Agreement, including, without limitation, any such damages which are based upon causes of action for breach of contract, tort (including negligence and misrepresentation), breach of warranty or strict liability.

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11.9 Survival. Each Party's indemnification and defense of action obligations under this Article for acts or occurrences prior to the expiration, termination, completion, suspension or cancellation of this Agreement shall continue in full force and effect regardless of whether this Agreement expires, terminates, or is suspended, completed or canceled. Except as noted above, such obligations shall not be limited in any way by any limitation on insurance, by the amount or types of damages, or by any compensation or benefits payable by the Parties under workers' compensation acts, disability benefits acts or other employee acts, or otherwise.

11.10 Insurance. Prior to the commencement of this Agreement, Certificates of Insurance from Generator and LIPA and / or all of Generator's and LIPA's contractors / subcontractors that perform activities on the Project Site relative to this Agreement, shall be furnished to Generator and LIPA, as the case may be. Each Party shall, at its own expense, maintain in force throughout the term of this Agreement, and until released by the other Party, the following minimum insurance coverage, with insurers authorized to do business in the State of New York. The generator must have added T&D Manager, LIPA, and the Authority as additional insureds under the following coverages:

- (a) Employers' Liability and Workers' Compensation Insurance providing statutory benefits in accordance with the laws and regulations of the state in which the Point of Attachment is located.
- (b) Commercial General Liability Insurance including premises and operations, personal injury, broad form property damage, broad form blanket contractual liability coverage (including coverage for the contractual indemnification) products and completed operations coverage, coverage for explosion, collapse and underground hazards, independent contractors coverage, coverage for pollution to the extent normally available and punitive damages to the extent normally available and a cross liability endorsement, with minimum limits of one million dollars (\$1,000,000.00) per occurrence/one million dollars (\$1,000,000.00) aggregate combined single limit for personal injury, bodily injury, including death and property damage.
- (c) Comprehensive Automobile Liability Insurance for coverage of owned and non-owned and hired vehicles, trailers or semi-trailers designed for travel on public roads, with a minimum, combined single limit of one million dollars (\$1,000,000.00) per occurrence for bodily injury, including death, and property damage.
- (d) Excess Public Liability Insurance over and above the Employers' Liability Commercial General Liability and Comprehensive Automobile Liability Insurance coverage, with a minimum combined single limit of twenty million dollars (\$20,000,000.00) per occurrence/twenty million dollars (\$20,000,000.00) aggregate.
- (e) The Commercial General Liability Insurance, Comprehensive Automobile Insurance, and Excess Public Liability Insurance policies shall name the other Party, its parent, associated and Affiliate companies and their respective directors, officers, agents, servants and employees ("Other Party Group") as additional insured. For LIPA, Other Party Group shall include the Authority and T&D Manager and its affiliates. All policies shall contain provisions whereby the insurers waive all rights of subrogation in accordance with the provisions of this Agreement against the Other Party Group and provide thirty (30) days advance written notice to the Other Party

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Group prior to anniversary date of cancellation or any material change in coverage or condition. Insurance as specified herein must be maintained at all times during the life of this Agreement. Each Party shall provide the other Party with renewal certificates if said insurance policies are to expire prior to the expiration or termination of this Agreement. Said certificates must be provided within ten (10) days after the renewal date. Insurance as specified herein must be maintained at all times throughout the term of this Agreement.

- (f) The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance and Excess Public Liability Insurance policies shall contain provisions that specify that the policies are primary and shall apply to such extent without consideration for other policies separately carried and shall state that each insured is provided coverage as though a separate policy had been issued to each, except the insurer's liability shall not be increased beyond the amount for which the insurer would have been liable had only one (1) insured been covered. Each Party shall be responsible for its respective deductibles or retentions.
- (g) The Commercial General Liability Insurance, Comprehensive Automobile Liability Insurance, and Excess Public Liability Insurance policies shall be on an occurrence basis.
- (h) The requirements contained herein as to the types and limits of all insurance to be maintained by the Parties are not intended to and shall not in any manner, limit or qualify the liabilities and obligations assumed by the Parties under this Agreement.
- (i) Within ten (10) days following execution of this Agreement, and as soon as practicable after the end of each fiscal year or at the renewal of the insurance policy and in any event within ninety (90) days thereafter, each Party shall provide certification of all insurance required in this Agreement, executed by each insurer or by an authorized representative of each insurer.
- (j) Notwithstanding the foregoing, each Party may self-insure to meet the minimum insurance requirements of this Article 11 to the extent it maintains a self- insurance program; provided that, such Party's senior secured debt is rated at investment grade or better by Standard & Poor's and that its self-insurance program meets the minimum insurance requirements of this Article 11. For any period of time that a Party's senior secured debt is unrated by Standard & Poor's or is rated at less than investment grade by Standard & Poor's, such Party shall comply with the insurance requirements applicable to it under this Article 11. In the event that a Party is permitted to self-insure pursuant to this Article, it shall notify the other Party that it meets the requirements to self-insure and that its self-insurance program meets the minimum insurance requirements in a manner consistent with that specified in this Article 11.
- (k) The Parties agree to report to each other in writing as soon as practical all accidents or occurrences resulting in injuries to any person, including death, and any property damage arising out of this Agreement.

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**ARTICLE 12
FORCE MAJEURE**

12.1 The term “Force Majeure Event” as used herein means those acts, omissions or circumstances which are outside of the affected Party’s control and which could not be reasonably anticipated or avoided in accordance with Good Utility Practice, including without limitation any act of God, strikes or other labor disputes, acts of the public enemy, accidents, war (declared or otherwise), invasion, civil disturbance, riots, fires, storms, flood, ice, earthquakes, explosions, or action or inaction of a Governmental Authority (other than LIPA) that precludes the construction, interconnection or operation of the Plant. A Force Majeure Event does not include acts of negligence or intentional wrongdoing by the Party claiming Force Majeure.

12.2 If a Force Majeure Event causes either Party to be rendered wholly or partly unable to perform its obligations under this Agreement, except for the obligation to make payments under this Agreement when due, that Party shall be excused from performance or liability for damages to the other Party solely to the extent and during such period such Party’s performance is affected.

12.3 Any Party claiming Force Majeure shall: (i) provide prompt oral notice followed by written notice to the other Party within three (3) Business Days of such Force Majeure Event giving a detailed written explanation of the event and estimate of its expected duration and probable effect on the performance of that Party’s obligations hereunder, and (ii) use due diligence in accordance with Good Utility Practice to continue to perform its obligations under this Agreement to the extent unaffected by the Force Majeure Event and to remove promptly the condition that prevents performance and to mitigate the effects of the same, except that settlement of any strike or labor dispute shall be in the sole judgment of the affected Party.

12.4 No obligations of either Party which arose before the occurrence of the Force Majeure Event causing the suspension of performance are excused as a result of the occurrence.

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**ARTICLE 13
NOTICES**

All notices shall be in writing and shall be deemed sufficiently given when mailed by United States registered or certified mail, postage prepaid, return receipt requested, hand-delivered, sent by facsimile transmission (confirmed in writing) or sent by recognized overnight courier service, addressed as follows:

To LIPA:

PSEG Long Island
333 Earle Ovington Boulevard, Suite 403
Uniondale, New York 11553
Attention: Vice President of T&D Operations

With a copy to:

Long Island Power Authority
333 Earle Ovington Boulevard, Suite 403
Uniondale, New York 11553
Attention: General Counsel
Fax: (516) 222-9137

To T&D Manager:

PSEG Long Island
Power Asset Management (PAM)
175 East Old Country Road
Hicksville, New York 11801
Attention: Manager, Power Asset Management

To Generator:

[NAME]
[ADDRESS]
Attention: [NAME AND TITLE]
Fax: _____

or such other and different addresses as may be designated in writing by the Parties.

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ARTICLE 14
ASSIGNMENT OR TRANSFER

Neither this Agreement nor any rights or obligations hereunder may be assigned or transferred, by either Party without the prior written consent of the other Party (such consent not to be unreasonably withheld or delayed; provided that this Agreement may be assigned to an Affiliate with the understanding that no such assignment shall relieve the assigning Party from its obligations hereunder; and further provided that the restrictions on assignment contained in this Article shall not in any way prevent either Party from pledging, mortgaging or assigning its rights hereunder as security for its indebtedness.) Except as otherwise provided in this Article, a Party shall only consent to an assignment by the assigning Party if, in the non-assigning Party's reasonable judgment, the assignee is fully capable of performing all of the assigning Party's obligations under this Agreement and possesses the technical capability, experience, and financial capability to perform in the manner required. At least thirty (30) days prior to the effective date of the proposed assignment, the assigning Party shall deliver to the non-assigning Party an assignment and assumption agreement, duly executed, in which the assignee unconditionally assumes all of its assignor's obligations to the non-assigning Party and agrees to be bound by all of the terms and conditions of this Agreement, and whereby the assignee makes certain additional representations and warranties as appropriate for assignee as contained in this Section. Any purported assignment of this Agreement not in accordance with this Article shall be of no force and effect. Provided however, that a proposed assignment, notice of which is provided less than thirty (30) days prior to its proposed effective date shall be effective thirty (30) days following such notice.

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ARTICLE 15
CONFIDENTIALITY

15.1 Claim of Confidentiality.

- (a) In connection with this Agreement, the Parties and T&D Manager may exchange information that is deemed to be confidential whether such information is provided in written, oral, electronic or other format (“Confidential Information”). The Party disclosing such Confidential Information is referred to herein as the “Disclosing Party” and the Party receiving such Confidential Information is referred to herein as the “Receiving Party.” The Disclosing Party shall mark all written Confidential Information as “Confidential,” “Proprietary” or the like and in the case of Confidential Information that is communicated orally, the Disclosing Party shall within thirty (30) days’ follow up such communication with a writing addressed to the Receiving Party generally describing the information and identifying it as Confidential Information. The Parties acknowledge that all information disclosed by Generator in connection with costs, pricing or operation of the Plant shall be treated as Confidential Information whether or not such information is marked or identified as Confidential Information. LIPA shall not disclose such Confidential Information without Generator’s written consent, which may be withheld in Generator’s sole discretion, unless LIPA is otherwise required by law to make such disclosure.
- (b) The Receiving Party shall protect the Confidential Information from disclosure to third parties consistent with the provisions of this Article 15 and subject to applicable law, provided however, a Receiving Party may disclose Confidential Information to its Affiliates, Lenders, employees, agents or representatives of such Receiving Party, where such Affiliate, Lender, employee, agent or representative expressly agrees to be bound by the terms of this Article 15 and provided further that the Receiving Party shall be liable for any breach by its Affiliates, Lenders, employees, agents or representatives.
- (c) It is further understood and agreed that money damages would not be sufficient remedy for any breach of this Article 15, and that if a Party breaches this Article 15, the Party disclosing Confidential Information to such breaching Party shall be entitled to specific performance and injunctive and other equitable relief as a remedy for any such breach. The breaching Party agrees to waive any requirement for the posting of a bond in connection with any such remedy. Such remedy shall not be deemed to be the exclusive remedy for breach of this Article 15 but shall be in addition to all other remedies available at law or equity. In the event of any legal action based upon or arising out of this Article 15, the prevailing Party in such action shall be entitled to recover reasonable attorney’s fees and costs from the other Party.

15.2 Compliance with Law. If either Party is required by law to disclose Confidential Information of the other Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise), the Party required to make such disclosure will (i) notify the other Party and provide the other Party the opportunity to review the Confidential Information, and (ii) provide the other Party the opportunity to seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained or is not

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pursued within a reasonable period of time, the Party required to make disclosure or such Party's representatives will furnish only that portion of the Confidential Information that it is legally required to disclose and the Party required to make disclosure will request that confidential treatment be accorded the Confidential Information by relevant third parties.

15.3 Compliance with the Freedom of Information Law. If LIPA is requested by a third party to disclose Confidential Information pursuant to the Freedom of Information Law ("FOIL"), LIPA will (i) notify Generator of the request and provide Generator the opportunity to review the Confidential Information; (ii) provide Generator the opportunity to provide information regarding the need for confidential treatment; (iii) evaluate the third party's request for disclosure and Generator's request for confidential treatment; and (iv) determine if the Confidential Information is subject to disclosure under FOIL. If LIPA determines that the Confidential Information is subject to disclosure, it will provide prompt written notice of such determination to Generator so that Generator may seek a protective order or other appropriate remedy. If Generator does not obtain a protective order or no formal proceeding has been initiated by Generator within a reasonable period of time after LIPA provides notice to Generator of its intent to make public the Confidential Information, then LIPA may disclose such information with no liability or further obligation to Generator.

15.4 Treatment of Otherwise Publicly Available Documents. Notwithstanding anything to the contrary in this Article, neither Party shall be required to hold confidential any information that (i) becomes publicly available other than through disclosure by the Receiving Party; (ii) is independently developed by the Receiving Party; or (iii) becomes available to the Receiving Party without restriction from a third party, provided that such third party is not bound by a confidentiality agreement with the Disclosing Party or its representatives. Should any person or entity seek to legally compel a Receiving Party (by oral questions, interrogatories, requests for information or documents, subpoena, civil investigative demands, regulation, statute or otherwise) to disclose any Confidential Information, the Receiving Party will provide the Disclosing Party prompt written notice so that the Disclosing Party may seek a protective order or other appropriate remedy. In the event that a protective order or other remedy is not obtained, the Receiving Party or the Receiving Party's representative will furnish only that portion of the Confidential Information that it is legally required to disclose and the Receiving Party will request that confidential treatment be accorded the Confidential Information by relevant third parties.

15.5 Term of Confidentiality. The obligations set forth in this Article shall survive expiration or termination of this Agreement for a period of two years after expiration or termination of this Agreement.

ARTICLE 16
MISCELLANEOUS

16.1 Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Parties and their respective successors and assigns.

16.2 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and which together shall constitute one and the same instrument.

16.3 Records. Each Party shall establish and maintain complete and accurate books, records, documents, accounts, and other evidence directly pertinent to performance under this Agreement

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(hereinafter, collectively, the “Records”). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The New York State Comptroller, the New York State Attorney General, and any other person or entity authorized to conduct an examination, as well as the New York State agency or agencies involved in this Agreement, shall have access to the Records during normal business hours at Generator’s or LIPA’s offices, as the case may be, within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the state, for the term specified above for the purposes of inspection, auditing, and copying. LIPA shall take reasonable steps to protect from public disclosure any of the Records that are exempt from disclosure under Section 87 of the Public Officers Law (the “Statute”), provided that: (i) Generator shall timely inform LIPA, in writing, that said Records should not be disclosed; (ii) said Records shall be sufficiently identified; and (iii) designation of said Records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, Generator’s or LIPA’s right to discovery in any pending or future litigation.

16.4 Amendments. This Agreement may not be amended, changed, modified or altered except in writing and signed by the Parties.

16.5 Severability. If any article, phrase, provision, or portion of this Agreement is, for any reason, held or adjudged to be invalid or illegal or unenforceable by any court of competent jurisdiction, such article, phrase, provision or portion so adjudged shall be deemed separate, distinct, and independent, and only deemed invalid in that particular instance, and the remainder of this Agreement shall be and remain in full force and effect and shall not be invalidated, rendered illegal, unenforceable, or otherwise affected by such adjudication.

16.6 Prior Agreements Superseded. This Agreement shall completely and fully supersede all other prior understandings or agreements, both written and oral, between the Parties relating to the subject matter hereof.

16.7 Survival. Provisions of this Agreement which by their nature would survive termination or expiration of the Agreement shall survive. Without limitation of the preceding sentence, applicable provisions of this Agreement shall continue in effect after expiration or termination of this Agreement as specifically provided herein and to the extent necessary to provide for final billings, billing adjustments, and payments pertaining to liability and indemnification obligations arising from acts or events that occurred while this Agreement was in effect.

16.8 Dispute Resolution. Any disputes arising under this Agreement shall be resolved in accordance with the procedures established in Article 10 of this Agreement.

16.9 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York notwithstanding its conflict of laws provisions.

16.10 Waiver. No delay or omission in the exercise of any right under this Agreement shall impair any such right or shall be taken, construed or considered as a waiver or relinquishment thereof, but any such right may be exercised from time to time and as often as may be deemed expedient. If any agreement or covenant herein shall be breached and thereafter waived, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

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16.11 Taxes. The Parties shall use reasonable efforts to administer this Agreement and implement the provisions thereof in accordance with their intent to minimize taxes.

16.12 Non-interference. Each Party agrees that it will not construct any facilities or structures at the Project Site or engage in any activity at the Project Site that will materially interfere with the rights granted to the other Party under this Agreement.

16.13 Further Assurances. Each of the Parties hereto shall execute and deliver any and all additional documents or instruments (including easements and other rights in land), in recordable form, and provide other assurances, obtain any additional permits, licenses, and approvals required, and shall do any and all acts and things reasonably necessary, to carry out the intent of the Parties hereto and to confirm the continued effectiveness of this Agreement.

16.14 Headings. The headings used for the articles herein are for convenience and reference purposes only and shall in no way affect the meaning or interpretation of the provisions of this Agreement.

16.15 Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof, and supersedes and replaces any prior or contemporaneous undertakings, commitments, or agreements, oral or written, as to its subject matter. This Agreement may be modified or amended only by an instrument in writing signed by authorized representatives of the Parties on or after the date hereof.

[Signature pages to follow on next page]

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IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives as of the date first set forth above.

**LONG ISLAND ELECTRIC UTILITY SERVCO LLC
Acting as agent for and behalf of
LONG ISLAND LIGHTING COMPANY d/b/a LIPA**

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

[PARTY NAME]

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

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**EXHIBIT A
SYSTEM ONE-LINE / POINT OF ATTACHMENT
AND INTERCONNECTION AND INTERCONNECTION
FACILITIES / DEMARCATION POINTS**

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**EXHIBIT B
INTERCONNECTION AND METERING REQUIREMENTS**

Interconnection Procedures and Requirements

The Interconnection Facilities shall be subject to the interconnection standards provided in the “Small Generator Interconnection Procedures For Distributed Generators and Energy Storage Systems Less than 10 MW Connected in Parallel with LIPA’s Radial Distribution Systems” , “PSEG Long Island’s Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA’s Distribution System” and “Specification & Requirements for Electric Installation (Red Book).”

Metering Requirements

Metering pursuant to the terms of this Agreement shall be subject to the PSEG Long Island’s Small Generator Interconnection Technical Requirements and Screening Criteria for Operating in Parallel with LIPA’s Distribution System”, “Specification & Requirements for Electric Installation (Red Book)” and “Revenue Metering Requirements for Generating Facilities interconnection to the LIPA Transmission System.”

Add other procedures and requirements as applicable.

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EXHIBIT C
FACILITY DESIGN AND VERIFICATION STUDIES

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**EXHIBIT D
COMMISSIONING, STARTUP, AND MAINTENANCE
PROCEDURES FOR INTERCONNECTION FACILITIES**

Introduction

Testing of all protective devices shall be performed on the Generator's Interconnection Facilities prior to the final functional testing of the interconnection scheme. The testing shall be performed by Generator. Relay and operational tests shall be performed with maintenance intervals consistent with the latest version of NERC PRC-005 or any applicable reliability requirements. A certified relay test report shall be furnished to LIPA/T&D Manager within two weeks after completion of all testing. Generator shall notify LIPA/T&D Manager at least seven (7) business days in advance of the protective device testing to provide an opportunity for LIPA/T&D Manager to be present during the testing.

Submitted documentation of the operational relay testing shall include graphic or digital recordings of actual current and voltage levels obtained during the test(s). Each relay test shall include a calibration check and an actual trip of the circuit breaker from the relay being tested.

A log of all relay target indications resulting from automatic circuit breaker operations shall be maintained. The relay target information is utilized to verify cause of the failure and to determine if relays operated as expected to isolate the Generator's Interconnection Facilities from LIPA's transmission system. This data shall be reviewed periodically, and upon request, shall be made available for Generator's inspection.

Operational Testing

Detailed and coordinated operational test procedures shall be developed jointly by LIPA/T&D Manager and Generator. These test procedures must include relay settings, continuity of relay circuits, breaker trip and close coils (AC and DC circuits), insulation impedances of protective circuits and current and voltage transformers.

To the maximum degree practicable, the components used in protection systems shall be of proven quality, as demonstrated either by actual experience or by stringent tests under simulated operating conditions, to ensure that the reliability of the protection system shall not be degraded or reduced.

The test procedures must demonstrate that:

- (a) All relays operate from all possible sources of trip signals or voltage.
- (b) All relays trip the desired breaker(s).
- (c) The Generator's Interconnection Facilities will be isolated from the LIPA system for complete loss of the Facility.
- (d) The ratio and polarity of relay and instrument transformers are correct.
- (e) The phase angle characteristics of directional and other relays are correct.
- (f) Relays have been tested at pick-up and three multiples of minimum pick-ups (e.g., three, five, and eight times).

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All relays must be field verified and bench tested to meet the following tolerance criteria:

Test Parameter	Tolerance of Specified Settings
Current	+/- 5%
Voltage	+/- 5%
Time	+/- 5%
Frequency	+0.05 hertz
Phase Angle	+/- 3 degrees

The actual operational tests shall be performed after all equipment is installed and repeated every two years thereafter. Certified test results shall be submitted to LIPA/T&D Manager. Periodic inspections of AC and DC control power for all circuit breaker, reference single-line diagrams, relay protection diagrams, and coordination test data must accompany test reports.

LIPA/T&D Manager shall be notified by Generator at least seven (7) business days prior to the operational tests.

Maintenance

All equipment associated with the Generator’s Interconnection Facilities shall be maintained by the Generator in accordance with the latest maintenance intervals in NERC PRC-005 or any applicable reliability requirements.

Add other procedures and requirements as applicable.

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**EXHIBIT E
INTERCONNECTION COST ESTIMATE**

The current interconnection estimate is [INSERT DOLLAR AMOUNT]

The illustration above represents an estimate of reimbursable cost. Upon execution of this Agreement, generator will provide the T&D Manager with an advance payment of 30% of the T&D Manager's estimated costs, due within 90 business days of the fully executed Interconnection Agreement. Progress payments will be required during construction and any excess will be reconciled and invoiced upon completion of all work and final accounting of all costs.

APPENDIX N

Appendix N - Metering Requirements

Refer to the document entitled “Revenue Metering Requirements for Generator Facilities Interconnecting to the LIPA Transmission System” for PSEG Long Island’s interconnection technical requirements for Small Generators up to 10 MW.

Add other procedures and requirements as applicable.

APPENDIX O

Appendix O -Left Blank Intentionally

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Appendix P1 -Feasibility Study Agreement

THIS AGREEMENT is made and entered into this ____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Long Island Lighting Company d/b/a LIPA ("LIPA"). Interconnection Customer and LIPA each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, Interconnection Customer is proposing to develop a Small Generator or generating capacity addition to an existing Small Generator consistent with the Interconnection Request completed by Interconnection Customer on _____; and

WHEREAS, Interconnection Customer desires to interconnect the Small Generator with LIPA's Distribution System; and

WHEREAS, Interconnection Customer has requested LIPA to perform a feasibility study to assess the feasibility of interconnecting the proposed Small Generator with LIPA's Distribution System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the PSEG Long Island Small Generator Interconnection Procedures for Distributed Resources less than 10 MW Connected in parallel with LIPA Distribution Systems (PSEG Long Island Small Generator Interconnection Procedures).

2.0 The Interconnection Customer elects and LIPA shall cause to be performed an interconnection feasibility study consistent with the PSEG Long Island Small Generator Interconnection Procedures.

3.0 The scope of the feasibility study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 The feasibility study shall be based on the technical information provided by the Interconnection Customer in the Interconnection Request, as may be modified as the result of the scoping meeting. LIPA reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the feasibility study and as designated in accordance with the PSEG Long Island Small Generator Interconnection Procedures. If the Interconnection Customer modifies its Interconnection Request, the time to complete the feasibility study may be extended by agreement of the Parties.

5.0 In performing the study, LIPA shall rely, to the extent reasonably practicable, on existing studies of recent vintage. The Interconnection Customer shall not be charged for such existing studies; however, the Interconnection Customer shall be responsible for charges associated with any new study or modifications to existing studies that are reasonably necessary to perform the feasibility study.

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6.0 The feasibility study report shall provide the following analyses for the purpose of identifying any potential adverse system impacts that would result from the interconnection of the Small Generator as proposed:

- 6.1 Initial identification of any circuit breaker short circuit capability limits exceeded as a result of the interconnection;
- 6.2 Initial identification of any thermal overload or voltage limit violations resulting from the interconnection;
- 6.3 Initial review of grounding requirements and electric system protection; and
- 6.4 Description and non-binding estimated cost of facilities required to interconnect the proposed Small Generator and to address the identified short circuit and power flow issues.

7.0 The feasibility study shall model the impact of the Small Generator regardless of purpose in order to avoid the further expense and interruption of operation for reexamination of feasibility and impacts if the Interconnection Customer later changes the purpose for which the Small Generator is being installed.

8.0 The study shall include the feasibility of any interconnection at a proposed project site where there could be multiple potential Points of Interconnection, as requested by the Interconnection Customer and at the Interconnection Customer's cost.

9.0 A deposit of the lesser of 50 percent of good faith estimated feasibility study costs or earnest money of \$10,000 may be required from the Interconnection Customer.

10.0 Once the feasibility study is completed, a feasibility study report shall be prepared and transmitted to the Interconnection Customer. Barring unusual circumstances, the feasibility study must be completed and the feasibility study report transmitted within thirty (30) Business Days of the Interconnection Customer's agreement to conduct a feasibility study.

11.0 Any study fees shall be based on the actual costs associated with the study and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, LIPA shall refund such excess within thirty (30) calendar days of the invoice without interest. LIPA shall not be obligated to perform or continue to perform any Interconnection Study work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

13.0 Miscellaneous.

- 13.1 Accuracy of Information. Except as Interconnection Customer may otherwise specify in writing when it provides information to LIPA under this Agreement, Interconnection Customer represents and warrants that the information it provides to LIPA shall be accurate and complete as of the date the information is provided. Interconnection Customer shall promptly provide LIPA with any additional information needed to update information previously provided.

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- 13.2 Disclaimer of Warranty. In preparing the system impact study, LIPA and any subcontractor or consultant to LIPA shall have to rely on information provided by Interconnection Customer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither LIPA nor any subcontractor or consultant to LIPA makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties or merchantability and fitness for a particular purpose, with regard to the accuracy, content or conclusions of the feasibility study. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representation or warranties have formed the basis of its bargain hereunder.
- 13.3 Force Majeure. For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement.
- 13.4 Limitations of Liability. In no event shall any Party or its subcontractor consultant be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the feasibility study or any reliance on the feasibility study by Developer or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall LIPA be liable for any delay in delivery or for the non-performance or delay in performance of LIPA's obligations under this Agreement.
- 13.5 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless LIPA, and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by LIPA under this Agreement, any bankruptcy filings made by Interconnection Customer, or the actions or omissions of Interconnection Customer in connection with this Agreement, except to the extent such Losses arise from the gross negligence or willful misconduct by LIPA or their respective directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify LIPA shall be several, and not joint or joint and several.
- 13.6 Third-Party Beneficiaries. Without limitation of Sections 13.2, 13.3 and 13.5 of this Agreement, Interconnection Customer further agrees that a subcontractor or consultant hired

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by LIPA to conduct or review, or to assist in the conducting or reviewing, an Interconnection Feasibility Study shall be deemed third party beneficiaries with respect to Sections 13.2, 13.3, 13.4 and 13.5.

- 13.7 **Term and Termination.** This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 13.7, shall continue in effect for a term of one year or until the feasibility study for Interconnection Customer's Small Generator is completed, whichever event occurs first. Interconnection Customer or LIPA may terminate this Agreement upon the withdrawal of the Interconnection Customer's Application under Section II.A.4 of PSEG Long Island's Small Generator Interconnection Procedures.
- 13.8 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.
- 13.9 **Severability.** In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null or void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 13.10 **Counterparts.** This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 13.11 **Amendment.** No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.
- 13.12 **Survival.** All warranties, limitations of liability, indemnification and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 13.13 **Independent Contractor.** LIPA shall at all times be deemed to be an independent contractor and none of their employees or the employees of its subcontractors shall be considered to be employees of Interconnection Customer as a result of this Agreement.
- 13.14 **No Implied Waivers.** The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 13.15 **Successors and Assigns.** This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. No assignment shall be permitted where the assignee is currently in litigation with one of the Parties to this Agreement.
- 13.16 **Due Authorization.** Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.
- 14.0 All disputes shall be resolved in accordance with the procedures set forth in Section II.A.9 of the PSEG Long Island Small Generator Interconnection Procedures.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**Long Island Electric Utility Service LLC
acting as agent of and on behalf of
Long Island Lighting Company d/b/a LIPA**

[Insert name of Interconnection Customer]

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print)

Name: _____
(Print)

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX Q1

Appendix Q1 – System Impact Study

THIS AGREEMENT is made and entered into this ____ day of _____ 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, (“Interconnection Customer,”) and Long Island Lighting Company d/b/a LIPA (“LIPA”). Interconnection Customer and LIPA each may be referred to as a “Party, ” or collectively as the “Parties.”

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generator or generating capacity addition to an existing Small Generator consistent with the Interconnection Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generator with LIPA’s Distribution System;

WHEREAS, LIPA has completed a feasibility study and provided the results of said study to the Interconnection Customer (This recital to be omitted if the Parties have agreed to forego the feasibility study.); and

WHEREAS, the Interconnection Customer has requested LIPA to perform a system impact study(s) to assess the impact of interconnecting the Small Generator with LIPA’s Distribution System, and of any Affected Systems;

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the PSEG Long Island Small Generator Interconnection Procedures for Distributed Resources less than 10 MW Connected in parallel with LIPA Distribution Systems (PSEG Long Island Small Generator Interconnection Procedures).

2.0 The Interconnection Customer elects and LIPA shall cause to be performed a system impact study(s) consistent with the PSEG Long Island Small Generator Interconnection Procedures.

3.0 The scope of a system impact study shall be subject to the assumptions set forth in Attachment A to this Agreement.

4.0 A system impact study will be based upon the results of the feasibility study and the technical information provided by Interconnection Customer in the Interconnection Request. LIPA reserves the right to request additional technical information from the Interconnection Customer as may reasonably become necessary consistent with Good Utility Practice during the course of the system impact study. If the Interconnection Customer modifies its designated Point of Interconnection, Interconnection Request, or the technical information provided therein is modified, the time to complete the system impact study may be extended.

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5.0 A system impact study shall consist of a short circuit analysis, a stability analysis, a power flow analysis, voltage drop and flicker studies, protection and set point coordination studies, and grounding reviews, as necessary. A system impact study shall state the assumptions upon which it is based, state the results of the analyses, and provide the requirement or potential impediments to providing the requested interconnection service, including a preliminary indication of the cost and length of time that would be necessary to correct any problems identified in those analyses and implement the interconnection. A system impact study shall provide a list of facilities that are required as a result of the Interconnection Request and non-binding good faith estimates of cost responsibility and time to construct.

6.0 A distribution system impact study shall incorporate a distribution load flow study, an analysis of equipment interrupting ratings, protection coordination study, voltage drop and flicker studies, protection and set point coordination studies, grounding reviews, and the impact on electric system operation, as necessary.

7.0 Affected Systems may participate in the preparation of a system impact study, with a division of costs among such entities as they may agree. All Affected Systems shall be afforded an opportunity to review and comment upon a system impact study that covers potential adverse system impacts on their electric systems, and LIPA has twenty (20) additional Business Days to complete a system impact study requiring review by Affected Systems.

8.0 If LIPA uses a queuing procedure for sorting or prioritizing projects and their associated cost responsibilities for any required Network Upgrades, the system impact study shall consider all generating facilities (and with respect to paragraph 8.3 below, any identified Upgrades associated with such higher queued interconnection) that, on the date the system impact study is commenced -

- 8.1 Are directly interconnected with LIPA's System; or
- 8.2 Are interconnected with Affected Systems and may have an impact on the proposed interconnection; and
- 8.3 Have a pending higher queued Interconnection Request to interconnect with LIPA's System.

9.0 A distribution system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within thirty (30) Business Days after this Agreement is signed by the Parties. A transmission system impact study, if required, shall be completed and the results transmitted to the Interconnection Customer within forty-five (45) Business Days after this Agreement is signed by the Parties, or in accordance with LIPA's queuing procedures.

10.0 The Interconnection Customer shall provide to LIPA a deposit of \$10,000 or other commercially reasonable security in an amount equivalent to the good faith estimated cost of a Distribution System impact study and the good faith estimated cost of a transmission system impact study

11.0 Any study fees shall be based on the actual costs of the study and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

12.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, LIPA shall refund such excess within thirty (30) calendar days of the invoice without interest. LIPA shall not be obligated to perform or continue to perform any Interconnection Study

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work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

13.0 Miscellaneous.

- 13.1 Accuracy of Information. Except as Interconnection Customer may otherwise specify in writing when it provides information to LIPA under this Agreement, Interconnection Customer represents and warrants that the information it provides to LIPA shall be accurate and complete as of the date the information is provided. Interconnection Customer shall promptly provide LIPA with any additional information needed to update information previously provided.
- 13.2 Disclaimer of Warranty. In preparing the system impact study, LIPA and any subcontractor or consultants to LIPA shall have to rely on information provided by Interconnection Customer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither LIPA nor any subcontractor or consultant to LIPA makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties or merchantability and fitness for a particular purpose, with regard to the accuracy, content or system impact conclusions of the system impact study. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representation or warranties have formed the basis of its bargain hereunder.
- 13.3 Force Majeure. For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement.
- 13.4 Limitations of Liability. In no event shall any Party or its subcontractor consultant be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the system impact study or any reliance on the system impact study by Developer or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall LIPA be liable for any delay in delivery or for the non-performance or delay in performance of LIPA's obligations under this Agreement.
- 13.5 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless LIPA, and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out

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- of or resulting from the performance by LIPA under this Agreement, any bankruptcy filings made by Interconnection Customer, or the actions or omissions of Interconnection Customer in connection with this Agreement, except to the extent such Losses arise from the gross negligence or willful misconduct by LIPA or their respective directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify LIPA shall be several, and not joint or joint and several.
- 13.6 Third-Party Beneficiaries. Without limitation of Sections 13.2, 13.3 and 13.5 of this Agreement, Interconnection Customer further agrees that subcontractor consultant hired by LIPA to conduct or review, or to assist in the conducting or reviewing, an Interconnection System Impact Study shall be deemed third party beneficiaries with respect to Sections 13.2, 13.3, 13.4 and 13.5.
- 13.7 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 13.7, shall continue in effect for a term of one year or until the system impact study for Interconnection Customer's Small Generator is completed, whichever event occurs first. Interconnection Customer or LIPA may terminate this Agreement upon the withdrawal of Interconnection Customer's application pursuant to Section II.A.4 of LIPA's Small Generator Interconnection Procedures.
- 13.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.
- 13.9 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null or void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 13.10 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 13.11 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.
- 13.12 Survival. All warranties, limitations of liability, indemnification and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 13.13 Independent Contractor. LIPA shall at all times be deemed to be an independent contractor and none of their employees or the employees of its subcontractors shall be considered to be employees of Interconnection Customer as a result of this Agreement.
- 13.14 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 13.15 Successors and Assigns. This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective

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successors and assigns. No assignment shall be permitted where the assignee is currently in litigation with one of the Parties to this Agreement, except with the consent of the affected Party.

13.16 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.

14.0 All disputes shall be resolved in accordance with the procedures set forth in Section II.A.9 of the PSEG Long Island Small Generator Interconnection Procedures for Distributed Generation Less than 10 MW Connected in Parallel with LIPA Distribution Systems.

IN WITNESS THEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**Long Island Electric Utility Service LLC
acting as agent of and on behalf of
Long Island Lighting Company d/b/a LIPA**

[Insert name of Interconnection Customer]

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print)

Name: _____
(Print)

Title: _____

Title: _____

Date: _____

Date: _____

APPENDIX Q2

Appendix Q2 – Assumptions Used In Conducting The System Impact Study

Attachment A to System Impact Study Agreement

Assumptions Used in Conducting the System Impact Study

The system impact study shall be based upon the results of the feasibility study, subject to any modifications in accordance with the standard Small Generator Interconnection Procedures, and the following assumptions:

- 1) Designation of Point of Interconnection and configuration to be studied.

- 2) Designation of alternative Points of Interconnection and configuration.

1) and 2) are to be completed by the Interconnection Customer. Other assumptions (listed below) are to be provided by the Interconnection Customer and LIPA.

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Appendix R1 – Facilities Study Agreement

Facilities Study Agreement

THIS AGREEMENT is made and entered into this _____ day of _____, 20__ by and between _____, a _____ organized and existing under the laws of the State of _____, ("Interconnection Customer,") and Long Island Lighting Company d/b/a LIPA ("LIPA"). Interconnection Customer and LIPA each may be referred to as a "Party," or collectively as the "Parties."

RECITALS

WHEREAS, the Interconnection Customer is proposing to develop a Small Generator or generating capacity addition to an existing Small Generator consistent with the Interconnection Request completed by the Interconnection Customer on _____; and

WHEREAS, the Interconnection Customer desires to interconnect the Small Generator with LIPA's Distribution System;

WHEREAS, LIPA has completed a system impact study and provided the results of said study to the Interconnection Customer; and

WHEREAS, the Interconnection Customer has requested LIPA to perform a facilities study to specify and estimate the cost of the equipment, engineering, procurement and construction work needed to implement the conclusions of the system impact study in accordance with Good Utility Practice to physically and electrically connect the Small Generator with LIPA's Distribution System.

NOW, THEREFORE, in consideration of and subject to the mutual covenants contained herein the Parties agreed as follows:

- 1.0 When used in this Agreement, with initial capitalization, the terms specified shall have the meanings indicated or the meanings specified in the Long Island Power Authority Small Generator Interconnection Procedures for Distributer Generation Less than 10 MW Connected in Parallel with LIPA Distribution Systems (PSEG Long Island Small Generator Interconnection Procedures).
- 2.0 The Interconnection Customer elects and LIPA shall cause a facilities study consistent with the PSEG Long Island Small Generator Interconnection Procedures.
- 3.0 The scope of the facilities study shall be subject to data provided in Attachment A to this Agreement.
- 4.0 The facilities study shall specify and estimate the cost of the equipment, engineering, procurement and construction work (including overheads) needed to implement the conclusions of the system impact study(s). The facilities study shall also identify (1) the electrical switching configuration of the equipment, including, without limitation, transformer, switchgear, meters, and other station equipment, (2) the nature and estimated cost of LIPA's Interconnection Facilities and Upgrades necessary to accomplish the interconnection, and (3) an estimate of the time required to complete the construction and installation of such facilities.

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5.0 LIPA may propose to group facilities required for more than one Interconnection Customer in order to minimize facilities costs through economies of scale, but any Interconnection Customer may require the installation of facilities required for its own Small Generator if it is willing to pay the costs of those facilities.

6.0 The Interconnection Customer shall provide to LIPA a deposit of \$10,000 or other commercially reasonable security in an amount equal to the good faith estimated facilities study costs.

7.0 In cases where Upgrades are required, the facilities study must be completed within forty-five (45) Business Days of the receipt of this Agreement. In cases where no Upgrades are necessary and the required facilities are limited to Interconnection Facilities, the facilities study must be completed within thirty (30) Business Days. Projects that are subject to the NYISO OATT Attachment S cost allocation process shall be processed in accordance with the NYISO's Attachment S procedures

8.0 Once the facilities study is completed, a facilities study report shall be prepared and promptly transmitted to the Interconnection Customer.

9.0 Any study fees shall be based on the actual costs of the study and will be invoiced to the Interconnection Customer after the study is completed and delivered and will include a summary of professional time.

10.0 The Interconnection Customer must pay any study costs that exceed the deposit without interest within thirty (30) calendar days on receipt of the invoice or resolution of any dispute. If the deposit exceeds the invoiced fees, LIPA shall refund such excess within thirty (30) calendar days of the invoice without interest. LIPA shall not be obligated to perform or continue to perform any Interconnection Study work for the Interconnection Customer unless the Interconnection Customer has paid all amounts in compliance herewith.

11.0 Miscellaneous.

11.1 Accuracy of Information. Except as Interconnection Customer may otherwise specify in writing when it provides information to LIPA under this Agreement, Interconnection Customer represents and warrants that the information it provides to LIPA shall be accurate and complete as of the date the information is provided. Interconnection Customer shall promptly provide LIPA with any additional information needed to update information previously provided.

11.2 Disclaimer of Warranty. In preparing the facilities study, LIPA and any subcontractors or consultants employed by LIPA shall have to rely on information provided by Interconnection Customer, and possibly by third parties, and may not have control over the accuracy of such information. Accordingly, neither LIPA nor any subcontractor consultant employed by LIPA makes any warranties, express or implied, whether arising by operation of law, course of performance or dealing, custom, usage in the trade or profession, or otherwise, including without limitation implied warranties or merchantability and fitness for a particular purpose, with regard to the accuracy, content or conclusions of the facilities study. Developer acknowledges that it has not relied on any representations or warranties not specifically set forth herein and that no such representation or warranties have formed the basis of its bargain hereunder.

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- 11.3 Force Majeure. For purposes of this Agreement, "Force Majeure Event" means any event: (a) that is beyond the reasonable control of the affected Party; and (b) that the affected Party is unable to prevent or provide against by exercising reasonable diligence, including the following events or circumstances, but only to the extent they satisfy the preceding requirements: acts of war, public disorder, insurrection, or rebellion; floods, hurricanes, earthquakes, lightning, storms, and other natural calamities; explosions or fires; strikes, work stoppages, or labor disputes; embargoes; and sabotage. If a Force Majeure Event prevents a Party from fulfilling any obligations under this Agreement, such Party will promptly notify the other Party in writing, and will keep the other Party informed on a continuing basis of the scope and duration of the Force Majeure Event. The affected Party will specify in reasonable detail the circumstances of the Force Majeure Event, its expected duration, and the steps that the affected Party is taking to mitigate the effects of the event on its performance. The affected Party will be entitled to suspend or modify its performance of obligations under this Agreement, other than the obligation to make payments then due or becoming due under this Agreement.
- 11.4 Limitations of Liability. In no event shall any Party or its subcontractor consultant be liable for indirect, special, incidental, punitive, or consequential damages of any kind including loss of profits, arising under or in connection with this Agreement or the facilities study or any reliance on the facilities study by Developer or third parties, even if one or more of the Parties or its subcontractor consultants have been advised of the possibility of such damages. Nor shall LIPA be liable for any delay in delivery or for the non-performance or delay in performance of LIPA's obligations under this Agreement.
- 11.5 Indemnification. Interconnection Customer shall at all times indemnify, defend, and save harmless LIPA, and their respective directors, officers, members, employees and agents from any and all damages, losses, claims and liabilities ("Losses") by or to third parties arising out of or resulting from the performance by LIPA under this Agreement, any bankruptcy filings made by Interconnection Customer, or the actions or omissions of Interconnection Customer in connection with this Agreement, except to the extent such Losses arise from the gross negligence or willful misconduct by LIPA or their respective directors, officers, members, employees or agents. The amount of any indemnity payment hereunder shall be reduced (including, without limitation, retroactively) by any insurance proceeds or other amounts actually recovered by the indemnified party in respect of the indemnified action, claim, demand, cost, damage or liability. The obligations of Interconnection Customer to indemnify LIPA shall be several, and not joint or joint and several.
- 11.6 Third-Party Beneficiaries. Without limitation of Sections 11.2, 11.3 and 11.5 of this Agreement, Interconnection Customer further agrees that subcontractor or consultant to LIPA to conduct or review, or to assist in the conducting or reviewing, a facilities study shall be deemed third party beneficiaries with respect to Sections 11.2, 11.3, 11.4 and 11.5.
- 11.7 Term and Termination. This Agreement shall be effective from the date hereof and unless earlier terminated in accordance with this Section 11.7, shall continue in effect for a term of one year or until the facilities study for Interconnection Customer's Small Generating Facility is completed, whichever event occurs first. Interconnection Customer or LIPA may terminate this Agreement upon the withdrawal of the Interconnection Customer's application pursuant to Section II.A.4 of PSEG Long Island's Small Generator Interconnection Procedures.
- 11.8 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to any choice of laws provisions.

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- 11.9 Severability. In the event that any part of this Agreement is deemed as a matter of law to be unenforceable or null or void, such unenforceable or void part shall be deemed severable from this Agreement and the Agreement shall continue in full force and effect as if each part was not contained herein.
- 11.10 Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as the original instrument.
- 11.11 Amendment. No amendment, modification or waiver of any term hereof shall be effective unless set forth in writing signed by the Parties hereto.
- 11.12 Survival. All warranties, limitations of liability, indemnification and confidentiality provisions provided herein shall survive the expiration or termination hereof.
- 11.13 Independent Contractor. LIPA shall at all times be deemed to be an independent contractor and none of their employees or the employees of its subcontractors shall be considered to be employees of Interconnection Customer as a result of this Agreement.
- 11.14 No Implied Waivers. The failure of a Party to insist upon or enforce strict performance of any of the provisions of this Agreement shall not be construed as a waiver or relinquishment to any extent of such party's right to insist or rely on any such provision, rights and remedies in that or any other instances; rather, the same shall be and remain in full force and effect.
- 11.15 Successors and Assigns. This Agreement, and each and every term and condition hereof, shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns. No assignment shall be permitted where the assignee is currently in litigation with one of the Parties to this Agreement, except with the consent of the affected Party.
- 11.16 Due Authorization. Each Party to this Agreement represents and warrants that it has full power and authority to enter into this Agreement and to perform its obligations hereunder, that execution of this Agreement will not violate any other agreement with a third party, and that the person signing this Agreement on its behalf has been properly authorized and empowered to enter into this Agreement.
- 12.0 All disputes shall be resolved in accordance with the procedures set forth in Section II.A.9 of the PSEG Long Island Small Generator Interconnection Procedures.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed by their duly authorized officers or agents on the day and year first above written.

**Long Island Electric Utility Service LLC
acting as agent of and on behalf of
Long Island Lighting Company d/b/a LIPA**

[Insert name of Interconnection Customer]

By: _____
(Signature)

By: _____
(Signature)

Name: _____
(Print)

Name: _____
(Print)

Title: _____

Title: _____

Date: _____

Date: _____

Appendix R2 – Facilities Study Agreement Input Data Requirements

**Attachment A to the
Facilities Study Agreement**

Data to Be Provided by the Interconnection Customer

Provide location plan and simplified one-line diagram of the plant and station facilities. For staged projects, please indicate future generation, transmission circuits, etc.

On the one-line diagram, indicate the generation capacity attached at each metering location. (Maximum load on CT/PT)

On the one-line diagram, indicate the location of auxiliary power. (Minimum load on CT/PT) Amps

One set of metering is required for each generation connection to the new ring bus or existing LIPA station. Number of generation connections: _____

Will an alternate source of auxiliary power be available during CT/PT maintenance?
Yes _____ No _____

Will a transfer bus on the generation side of the metering require that each meter set be designed for the total plant generation? Yes _____ No _____
(Please indicate on the one-line diagram).

What type of control system or PLC will be located at the Small Generator?

What protocol does the control system or PLC use?

Please provide a 7.5-minute quadrangle map of the site. Indicate the plant, station, transmission line, and property lines.

Physical dimensions of the proposed interconnection station:

Bus length from generation to interconnection station: _____

Line length from interconnection station to LIPA's System.

Tower number observed in the field. (Painted on tower leg)*:

Number of third party easements required for transmission lines*:

* To be completed in coordination with LIPA.

Is the Small Generator located outside of LIPA's service area?

Yes _____ No _____ If Yes, please provide name of local provider:

Please provide the following proposed schedule dates:

Begin Construction Date: _____

Generator step-up transformers
receive back feed power Date: _____

Generation Testing Date: _____

Commercial Operation Date: _____

II. How to Obtain Service (continued):**D. General Obligations of the Authority and Applicants (continued):
Security Deposits (continued):**

- (3) For Nonresidential Customers, the Authority shall return full or partial deposits, with interest, to the Customer within thirty (30) days after any of the following events occur:
- (a) The account is closed,
 - (b) The issue date of the Customer's first cycle bill sent after the Customer has paid their bills on time for a three-year period, unless provisions of D.10.b of this section apply. In that case, the deposit will be updated and extended for another three (3) years.
 - ~~(c) The issue date of the Customer's first cycle bill sent after the Customer has paid their bills on time for a one-year period and the Customer has a credit rating of 5 or 6 prior to March 1, 2020.~~
 - ~~(d)~~(c) A Deposit Review shows that the deposit should be reduced.
- (4) For Nonresidential Customers, the deposit is returned by crediting:
- (a) The account the deposit secured against outstanding charges, or
 - (b) The account the deposit secured in the amount of the next estimated cycle bill, if that applies, or
 - (c) An unsecured account of the Customer's that is in arrears.
- (5) The Authority will issue a check to the Nonresidential Customer if a balance remains after the credits in D.10.I.4. above have been made unless the deposit is being returned per D.10.I.3(c).

11. Applicant Wiring and Equipment Obligations

- a) The Applicant shall install and pay for the wiring, switches, and fixtures needed to receive service.
- b) The Applicant should obtain definite information from the Authority about the approved types of equipment needed for the requested service.
- c) The Applicant may request a booklet the Authority publishes, *Specifications and Requirements for Electric Installations*, which details the Authority's approved:
 - (1) Methods of electric installation.
 - (2) Types of equipment.
 - (3) Types of voltages provided.

V. Termination of Service (continued):**G. Deferred Payment Agreements (continued):****Who is not Eligible (continued):**

~~f)~~ A Customer whose combined average monthly billed demand for all accounts was greater than 20 kW at least once during the last twelve (12) months or one (1) account had a single demand greater than 40 kW, or

~~f)g)~~ A Customer who the Authority reasonably concludes is able to pay the bill.

~~g)h)~~ The Authority will notify the Customer of the Authority's reasons for denying a Deferred Payment Agreement, and the Customer's right to challenge the Authority's decision using the complaint procedures set forth in this Tariff.

4. Obligations of the Authority to Residential Customers

a) The Authority will make reasonable efforts to contact eligible Residential Customers or Applicants by phone, mail, or in person to:

(1) Offer a Deferred Payment Plan, and

(2) Negotiate terms that fit the Customer's financial situation, and:

(a) May require that a Customer or Applicant complete a form showing assets, income, and expenses, and

(b) May ask for reasonable proof of the information given, and will treat that information as confidential, as permitted by law, and

(c) Will offer terms without a down payment and installments as low as ten dollars (\$10) a month, if required by the Customer's financial situation, and

(d) Will negotiate the size of the down payment, if any, and the time schedule for payment, and

(3) State the negotiated terms and conditions in the Deferred Payment Agreement to be signed by both the Customer and the Authority.

b) The Authority may postpone a scheduled termination of service up to ten (10) days after the termination date noted on the Final Termination Notice to negotiate the Deferred Payment Agreement terms, after notifying the Customer of the postponement, and

c) The Authority will make the written offer of the Deferred Payment Agreement to the Customers in 2.d-g above by providing two (2) copies of the Agreement form, signed by the Authority, stating the specific negotiated terms for payment.

V. Termination of Service (continued):**G. Deferred Payment Agreements (continued):****Terms of the Deferred Payment Agreement (continued):**

- (4) Monthly installments, depending on the Customer's financial situation, of the cost of one-half (1/2) of one (1) month's average usage or one-tenth (1/10) of the balance, whichever is greater. The cost of one (1) month's average usage shall be based on the cost of the usage during the last twelve (12) months.
- c) For Nonresidential Customers, if termination of service has been scheduled for nonpayment, the terms of the Agreement may include:
- (1) A down payment of the ~~lesser of 20~~ greater of 30 percent of the amount owed or ~~one half (1/2)~~ two (2) times the cost of the Customer's average monthly usage, plus the full amount of any charges billed for and owed since the Final Termination Notice was issued and the Agreement was signed, or
 - (2) If a field visit to physically terminate service was made, a down payment the greater of 50 percent of the amount owed or four (4) times the cost of the Customer's average monthly usage, plus the full amount of any charges billed for and owed since the Final Termination Notice was issued and the Agreement was signed, and
 - (3) Payment of the balance in monthly installments of ~~up to the lesser of one half (1/2) times~~ the cost of the Customer's average monthly usage, or ~~one twelfth (1/12)~~ one-sixth (1/6) of the balance, whichever is greater, and
 - (4) Payment of late payment charges of 1.5 percent per monthly billing period ~~after the first six monthly installments~~ during the term of the Agreement, and
 - (5) Payment of a security deposit in three (3) installments: 50 percent down and two (2) monthly payments of the balance. The Authority may require a security deposit from an existing Customer who is delinquent or who the Authority believes may be unable to pay in the future, based on dependable information on the Customer's financial condition, or
- d) If the Nonresidential Customer has been backbilled for prior unbilled service, the Authority may require monthly installments of the greater of the cost of one-half (1/2) of the Customer's average monthly usage or one twenty-fourth (1/24) of the amount owed, and
- e) If agreed to by both the Authority and the Nonresidential Customer, the terms of the Agreement may be for a larger or smaller down payment, a longer or shorter period of time for payment, and payment on any schedule.

I. General Information (continued):**B. Abbreviations and Definitions (continued):****C**

Capacity: The load-carrying ability of the transmission and distribution systems during a specified period of time.

Catch-up Bill: First bill based on an actual reading following one or more estimated or Customer read bills.

Character of Service: Refers to the type of service supplied, including the voltage at which it is supplied, the type of current, its frequency, etc.

Circuit: A conductor or a system of conductors through which an electric current flows or is meant to flow.

Coincidental Demand: (See Demand)

Cold Weather Period: The period between November 1 and April 15, inclusive.

Commercial Demand NEM Customer: A Commercial Customer that is demand metered and has submitted a complete application as per Step 3 of the Authority's Small Generator Interconnection Procedures on or after May 1, 2018 and has an Eligible Net Metering Technologies (see Section 1.B.) project at the same location that is electrically connected behind the meter; and

(a) has a rated AC capacity of 750 kW or less and

(b) has an estimated annual output of 110% or less of that customer's annual usage in kWh.

Commercial Demand NEM Project: An Eligible Net Metering Technologies (see Section 1.B.) project owned by a Commercial Demand NEM Customer(s).

Complete System Replacement: If both the solar panels and the inverter are replaced (even if not at the same time), the electric generating system will be identified as new.

Conduit: A tube or duct for enclosing electric wires or cable.

Construction Loan Agreement: An agreement between the Authority and a Non-Residing Customer for payment in advance for a line extension on private property with the potential to service multiple Customers. As other Customers come on line, the original Customer will receive a prorated rebate.

Controlled-Access Highway: A public roadway with entrance and exit ramps.

Core Customer: (See *Customer - Core Customer*)

Core Service: Service provided to a Core Customer.

Cost or Expense: The cost of all materials, equipment, labor, and other definite charges plus a reasonable charge for other costs of a general nature (purchasing, engineering, etc.) involved in a project.

I. General Information (continued):**B. Abbreviations and Definitions (continued):**

H: Heat-Related Service: A service provided under a residential space-heating rate classification or service needed to start or operate the primary heating system. It also includes a safe, supplemental electrical heating device that is needed by the Customer because the third party who controls the primary heating system does not supply enough heat.

Hybrid Electric Generating System or Hybrid System: An electric generating system consisting exclusively of wind and solar electric generators which are metered and billed as single unit, Hybrid electric generating systems owned and/or operated by Residential, or Residential Farm, or non-residential or Farm Service Customers may be eligible for net metering. Hybrid systems may not include micro- Combined Heat and Power (CHP) or micro-Fuel Cell electric generation.

I: Incremental Capacity Expansion: Capacity addition to electric generating system after initial project install, that does not replace the solar panels and the inverter of the prior generating system.

J: Jurisdiction: The right and power to interpret and apply the law.

K: Kilovar(s) = KVAR 1,000 reactive voltamperes (See Reactive Power)

A unit of measure of that part of Apparent Power that is not useful, but is required by some types of electricity-consuming devices such as motors.

Kilovoltampere = kVA = 1,000 voltamperes (See Voltamperes)

Kilowatt(s) = kW = 1,000 watts

A unit of measure of that part of Apparent Power that is useful (Real Power). (See Power)

Kilowatt-hour = kWh = 1,000 watt-hours

A unit of electric energy equal to one (1) kilowatt of power supplied to or taken from an electricity-consuming device steadily for one (1) hour.

L: Large Offsite Customer(s): Commercial customer(s) with demand billing that host a Remote Net Metering or Community Net Metering project or participate as a Satellite Account.

Large Offsite Project(s): Projects using an Eligible Net Metering Technologies owned by a hosting Large Offsite Customer(s).

Large Onsite Customer(s): Commercial customer(s) with an Eligible Net Metering Technologies project (see Section 1.B.) at the same location and electrically connected, behind the Commercial customer's meter, with

- (a) an AC capacity over 750 kW, or
- (b) an estimated annual output more than 110% of that customers annual usage in kWh, or
- (c) a commercial customer who is billed demand and choose to be considered a Large Onsite Customer, or
- (d) a commercial customer who is billed demand but does not qualify to be considered a Commercial Demand NEM Customer.

Large Onsite Project(s): Projects using an Eligible Net Metering Technologies owned by a Large-Onsite Customer(s).

Late Payment: Payment made more than twenty (20) calendar days after the date payment was due. The due date is the earlier of the two (2) dates: the personal delivery date or three (3) calendar days after the mailing of the bill. The Customer must pay the bill by the "Pay by" date on the bill to avoid making a late payment.

Letter of Credit: A letter issued by a bank authorizing the bearer to draw a stated amount of money from the issuing bank, its branches, or other associated banks or agencies.

Levelized Payment Plan: (See *Balanced or Budget Billing Plan*)

Liability: A legal obligation.

Line: A system of overhead poles, wires, and accessory equipment or underground ducts, conduits, and cables used for the distribution of electricity to Customers.

Line Extension: The addition of poles, wires, ducts, conduits, appurtenant facilities and additional equipment to a distribution line used to expand the shared distribution of electricity to Customers.

**VII. ADJUSTMENTS TO RATES AND CHARGES OF SERVICE CLASSIFICATIONS:
(continued):****K. Customer Benefit Contribution Charge**1. Purpose

The purpose of the Customer Benefit Contribution (CBC) Charge is to recover funds that support public benefit programs from customers who install Distributed Generation. The Customer Benefit Charge will be distinguished by rate class, distributed generation technology, and method of compensation for net energy metering, and applied monthly to each eligible customer's bill.

2. Applicability

The following customers will be subject to the Customer Benefit Contribution (CBC) charge

- a) Mass Market Projects that become Substantially Interconnected on or after January 1, 2022. The CBC charge shall also apply to any Incremental Capacity Expansions for new systems interconnected on or after January 1, 2022;
- b) The CBC charge shall apply to a customer that completely replaces their qualifying electric generating equipment that was interconnected before January 1, 2022, including any Incremental Capacity Expansions for such replaced systems;
- c) The CBC charge shall not apply to a customer that was interconnected prior to January 1, 2022 that perform an Incremental Capacity Expansion of their qualifying electric generating equipment. The CBC charge shall not apply to the original project capacity nor the Incremental Capacity Expansion.

3. Calculation of Customer Benefit Contribution Charge

- a) The funds that are eligible for recovery through the Customer Benefit Contribution Charge include the expenditures for the Low Income Program Discounts (leaf 34B et. seq.), utility energy efficiency program costs, and the unavoidable renewable energy costs which are renewable energy costs minus a credit for capacity, energy, and market value of a Tier One Renewable Energy Credit (REC) and other costs as recommended by the Department of Public Service and approved by the LIPA Board of Trustees.
- b) The eligible funds that are to be recovered will be attributed to rate classes based on the manner in which the corresponding charges are recovered, that is, on the basis of revenues or energy (kWh) as applicable.
- c) The eligible funds assigned to each rate class will be divided by the budgeted energy (kWh) in the year of recovery for that service class to establish a dollars-per-kWh (\$/kWh) public benefit cost.
- d) The annual \$/kWh public benefit cost will be multiplied by the annual kWh production by technology of a 1kW system, consistent with NY Public Service Commission Order in Case 15-E-0751 (Order Regarding Value Stack Compensation for High-Capacity Factor Resources), filed December 12, 2019, or subsequent Orders as may occur.
- e) The Customer Benefit Contribution Charge is then converted to a daily charge for each rate class and technology by dividing the annual \$/kW to be recovered by 365 days.
- f) The Customer Benefit Contribution Charge will be phased in over three years. The results of the calculation defined above in steps a through e will be multiplied by one-third ($\frac{1}{3}$) for calendar year 2022 and multiplied by two-thirds ($\frac{2}{3}$) for calendar year 2023.



KATHY HOCHUL
Governor

RORY M. CHRISTIAN
Chief Executive Officer

December 5, 2024

Via E-mail and U.S. Mail

Honorable Tracey A. Edwards, Chairwoman
Board of Trustees
Long Island Power Authority
333 Earle Ovington Blvd.
Uniondale, New York 11553
boardoftrustees@lipower.org

Re: Matter 24-00490 – Recommendations Regarding Long Island Power Authority's Proposed Modifications to its Tariff for Electric Service

Dear Chairwoman Edwards:

I am pleased to provide the recommendations of the New York State Department of Public Service (DPS or the Department) regarding the proposed changes to the Tariff for Electric Service (Tariff) by the Long Island Power Authority (LIPA or the Authority), effective January 1, 2025. The LIPA Reform Act empowers the Department to make recommendations concerning the operations and terms and conditions of service provided by the Authority and its Service Provider. The Department recommends that the LIPA Board of Trustees (Board or BoT) adopt the Authority's proposals in accordance with the discussion set forth herein.

LIPA proposes several modifications to its Tariff for Electric Service (Tariff). These changes to the Tariff include proposals to: 1) effectuate LIPA's annual rate update and set a date to close legacy commercial time-of-use (TOU) rates 282 and 288, 2) update LIPA's Small Generator Interconnection Procedures (SGIP) to align with the New York State Standardized Interconnection Requirements (SIR), 3) update the Customer Benefit Contribution's (CBC's) applicability to Distributed Generation (DG) systems, 4) modify the residential backbilling time limit provision, 5) update the deferred payment agreement (DPA) provisions enacted temporarily during the COVID-19 pandemic, and 6) clarify LIPA's liability regarding improper access or sharing of customer data through the Integrated Energy Data Resource (IEDR) platform.

In accordance with the State Administrative Procedure Act, LIPA opened a public comment period for interested parties to submit comments on the proposals. LIPA also held three separate public comment sessions. Two were held on November 25, 2024, located in Nassau and Suffolk Counties, and the third was held on November 26, 2024, in the Rockaways. The Long Island Progressive Coalition (LIPC) and The Public Utility Law Project (PULP) both submitted comments supporting the backbilling proposal and

opposing the DPA proposal. The LIPC also stated that the IEDR proposal “made legal sense” and recommended that LIPA commit to “take every effort possible to prevent data breaches associated with the IEDR.”¹

Annual Rate Update

LIPA proposes to modify its Tariff to reflect rate adjustments as part of their annual budget process. Additionally, LIPA proposes to close legacy commercial TOU rates 282 and 288 for all customers currently enrolled in these rates, effective January 1, 2026. LIPA proposes transitioning these customers to modern TOU rates with shorter peak periods that have more potential savings for ratepayers.

Staff conducted bill impact analyses to assess the rate update’s impact on customer bills. Although each customer’s bill will vary depending on their specific rate class and usage, we can calculate the average bill for a typical customer based on the 2025 rates compared against present rates. Typical residential flat rate customers in rate 180, with a monthly average usage of 723 kWh, can anticipate an increase of \$3.28 (or 3.06 percent) per month for the delivery charge and \$1.94 (or 2.32 percent) per month for the power supply charge. This results in a total monthly bill increase of approximately \$5.22 or 2.74 percent. For typical residential customers on rate 194, LIPA’s new default Time of Day (TOD) rate), with a monthly average usage of 723 kWh, the monthly delivery charge is anticipated to increase by \$3.36 (or 3.06 percent), and the power supply charge by \$2.01 (or 2.38 percent). This results in a total monthly bill increase of approximately \$5.37 or 2.76 percent. If customers on a TOD rate adjust their consumption patterns from peak periods to off-peak periods, they can minimize bill impacts or even achieve savings on their monthly bills. Shifting usage to off-peak periods also provides benefits to the electric grid, which can potentially lower future costs for all customers. Residential customers on the flat rates can also avoid these bill increases by reducing their usage by approximately 22 kWh, or 3 percent, each month.

Similarly, commercial customers will experience a bill increase that will vary based on their rate class and exact usage. Small commercial customers in rate 280, with a monthly average usage of 441 kWh, can anticipate a total monthly bill increase of \$4.81, or 3.58 percent. Large commercial customers in rate 281, with a monthly average usage of 4,724 kWh, can expect a total monthly bill increase of \$34.64 or 2.71 percent. Finally, customers in rate 285, which applies to mandatory large demand metered service with multiple rate periods, can anticipate a total monthly bill increase of \$180.74 or 0.90 percent. Small commercial customers on rate 280 can avoid bill increases by reducing their usage by approximately 18 kWh, or 4 percent, each month. Large commercial customers on rates 281 and 285 can avoid bill increases by reducing

¹ Long Island Progressive Coalition Comments on LIPA Tariffs and 2025 Budget (submitted November 25, 2024), p.1.

their energy or demand usage. Customers on rate 285 can also adjust the hours they use power to reduce their bill because they have multiple rate periods.

LIPA also proposes to close its legacy TOU rate codes 282 and 288 to all customers on January 1, 2026, and transition customers on these rates to modern TOU rates. Customers on Rate 282, Voluntary Large Demand Metered Service with Multiple Rate Periods, will be transitioned to Rate 294, its modern counterpart, which has been offered to customers since January 1, 2023.² Similarly, customers on Rate 288, Voluntary Small General Service with Multiple Rate Periods, will be transitioned to Rate 292, its modern counterpart, which has been offered since February 1, 2021.³

Staff reviewed the proposal to close the legacy TOU rates and determined it is not anticipated to have a material financial impact on the Authority. The legacy TOU rates feature a simplified peak and off-peak rate structure, while the modern TOU rates include peak, off-peak, and super off-peak periods, which provide customers with more opportunities to save money based on their usage patterns. Also, the modern TOU rates provide greater potential to shift usage to off-peak hours, which will benefit the grid during peak demand periods.

Based on current data, most customers on legacy TOU rates are expected to see their bills decrease as a result of the transition to the modern TOU rates, even without changing their behavior. Among the customers who would experience a bill increase without a change in consumption pattern, i.e., load shifting or reduction in usage, the large majority would see minimal increases of less than 5 percent. Additionally, the short peak period of the modern TOU rates provides these customers with the flexibility to adapt their behavior to avoid any increase and potentially see benefits.

As discussed above, the annual rate adjustments are appropriate to support the 2025 budget set forth by LIPA. Additionally, LIPA's proposal to transition from legacy TOU rate codes 282 and 288 to modern TOU rates has multiple potential benefits for customers and the electric grid. Accordingly, Staff recommends that the Board adopt the annual rate adjustments as proposed.

Backbilling

LIPA proposes to modify its tariff to align its backbilling provisions with recent amendments to Article 2 of the Public Service Law (PSL), specifically §41(1).⁴ The proposed modifications contain three components: 1) amending backbilling time limits

² Approval of Tariff Changes adopted by LIPA BoT on July 27, 2022. <https://www.lipower.org/wp-content/uploads/2022/08/2022-07-27-Consideration-of-Approval-of-Tariff-Amendments.pdf> (accessed November 24, 2024).

³ Approval of Tariff Changes adopted by LIPA BoT on December 16, 2021, <https://www.lipower.org/wp-content/uploads/2021/01/2020-12-16-Approval-of-Tariff-Changes.pdf> (accessed November 21, 2024).

⁴ L. 2023, c. 763, §1 and L. 2024, c.62, §1.

for Residential Customers (except seasonal, short-term, or temporary customers) from six months to three months; 2) adding a 24-month backbilling time limit for Residential Customers that are seasonal, short-term, or temporary customers; and 3) revising the definitions of Residential and Non-Residential Customers. There are no expected financial impacts from these modifications.

On May 17, 2024, the New York State Public Service Commission (the Commission) issued an Order stating, “that the amendments to PSL §41 ... override any conflicting regulatory and tariff provisions” and “provide guidance regarding the new requirements associated with these amendments.”⁵ PSL §41(1) sets time limits for utility corporations and municipalities to backbill residential customers. “Backbilling” is when the utility renders a bill to customers for previously unbilled gas or electric service after a billing period or cycle has ended. The May 2024 Order clarifies that PSL §41(1):

applies expressly to the residential bills ‘for gas and/or electric services,’ making clear that the legislature intended the provision to apply to corporations that provide electric and/or gas service, i.e., electric corporations, gas corporations, and municipalities that provide those services as well as the Long Island Power Authority and its service provider.⁶

The amendments to PSL §41(1) shortened the time for a utility to render a bill for unbilled service.⁷ Previously, utilities had up to six months from the end of a billing period to render a bill for previously unbilled service to Residential Customers. The amendment to PSL §41(1) reduced the time limit to three months from the end of a billing period, unless the failure to render a bill within the time limit was either: (1) not attributed to the neglect of the corporation or municipality, or (2) was caused by the culpable conduct of the customer. Absent either of those conditions, if a Residential Customer is not billed within the three-month time window after the billing period has ended, then the customer cannot be charged for gas or electric service. LIPA’s proposal follows the PSL §41(1) Amendment and Commission Order, reducing the Service Provider’s time limit to backbill from six months to three months.

Additionally, LIPA’s proposal includes a provision for Seasonal, and/or Short-Term or Temporary Residential Customers that precludes the Authority from rendering a bill after 24 months from the end of a billing period for previously unbilled services, unless the customer’s culpable conduct prevented a bill from being issued timely. In this case, LIPA is applying PSL §41(3), which states that:

No public utility company or municipality may render a bill for previously unbilled service, or adjust upward a bill previously rendered, to a

⁵ Case 24-M-0239, Proceeding on Motion of the Commission to Implement Utility Billing Requirements Pursuant to Public Service Law Sections 41, 44, AND 66-W, Order Initiating Proceeding to Implement Public Service Law Sections 41, 44, and 66-W (issued May 17, 2024), p. 2 (May 2024 Order).

⁶ May 2024 Order, p. 6 (citing PAL §1020-cc(1)).

⁷ L. 2023, c. 763, §1 and L. 2024, c.62, §1.

residential customer after the expiration of twenty-four months from the time service to which the bill or adjustment pertains was provided.

This section of the law remains unchanged.

LIPA also seeks to revise the definitions of Residential and Non-Residential Customers. The proposal confirms the definition of a Residential Customer as “a customer who meets the existing requirements for residential service as outlined in Section 1.C.11.” Therefore, a Residential Customer would be classified as any customer that is on a residential rate, and not limited to only customers that use electric service for a residential purpose such as religious buildings, community residences, and Veterans organizations. LIPA proposes one addition to Section 1.C.11.a.10 to indicate that a post or hall that is owned or leased by a not-for-profit Veterans’ Organization can be considered a Residential Customer. This change aligns with other areas of the Tariff, including Leaf 183 that already makes this distinction, as well as PSL §76. The proposal similarly seeks to define a Non-Residential Customer as a Customer engaged in commerce or the business of government, that does not meet the requirements for residential service outlined in Section 1.C.11.

Staff supports LIPA’s proposal to bring the Tariff into compliance with PSL §41 and align with the Investor-Owned Utilities (IOUs) to provide fair and adequate backbilling protections for residential customers. Staff also supports the clarifications to the definitions for Residential and Non-Residential Customers, and the addition to Section 1.C.11 confirming that a post or hall that is owned or leased by a not-for-profit Veterans’ Organization is eligible for Residential Service. As such, Staff recommends that the Board adopt LIPA’s tariff proposal as proposed.

Deferred Payment Agreement

LIPA proposes modifying its Tariff, to end the temporary emergency provisions enacted during the COVID-19 Pandemic (Pandemic) to provide relief to Non-Residential customers who were attempting to enroll in Deferred Payment Agreements (DPAs). The proposed modifications realign the Tariff to correspond with the Authority’s current business procedures and system programming. Also, the proposal will align LIPA with the rest of New York State’s electric utilities, who, along with LIPA, are subject to the regulations pertaining to DPAs and security deposits.⁸ Further, Staff confirmed that there are no expected financial impacts from the proposed Tariff modifications.⁹

After the Governor declared a State of Emergency on March 7, 2020, the Board approved temporary emergency modifications to its Tariff in May 2020 to help Non-Residential customers impacted by the Pandemic.¹⁰ These modifications lessened the

⁸ 16 New York Codes, Rules and Regulations (NYCRR) §§ 13.5 and 13.7.

⁹ Response to DPS-24023.

¹⁰ Long Island Power Authority Approval of Temporary Emergency Tariff Changes for COVID-19 Customer Impact Mitigation, <https://www.lipower.org/wp-content/uploads/2020/05/10.-Approval-Temp-Emergency-Tariff-COVID-19-Mitigation.pdf> (accessed November 22, 2024).

restrictions on DPAs for Non-Residential customers in response to the immense economic impact that the Pandemic inflicted on businesses. DPAs are negotiated agreements between the customer and utility to resolve their outstanding balance. They allow customers to avoid suspension or disconnection of service by making monthly payments, taking the customer's needs and financial situation into account.

LIPA's proposal will return its Tariff to its pre-pandemic measures. The Governor ended the State of Emergency on June 25, 2021.¹¹ Further, LIPA revised its business practices in November 2021, reinstating their pre-pandemic DPA policies for Commercial/Non-Residential customers after collaboration with other New York State utilities.

LIPA's Tariff modification proposal regarding DPAs for Non-Residential customers contains five components. First, the Authority will no longer return full or partial deposits within 30 days after the first bill was issued to customers or apply deposits as credits to outstanding balances for customers with credit ratings of 5 or 6 before March 1, 2020, who have paid their bills on time for one year. Second, Non-Residential customers whose average monthly billed demand for all accounts was greater than 20 kW at least once during the last 12 months or one account had a single demand greater than 40 kW, would no longer be eligible for DPAs in alignment with 16 New York Codes, Rules and Regulations (NYCRR) §13.5(b)(1)(v). Third, late payment fees of 1.5 percent per monthly billing period during the first six months of a DPA will no longer be waived.

Fourth, during the pandemic, the emergency tariff modifications extended DPAs requiring monthly payments of the lesser amount between one-half the cost of the customer's average monthly usage or one-twelfth of the balance owed. In alignment with 16 NYCRR §13.5(d)(2)(iii), the proposed tariff modification may require DPA payments in monthly installments of up to the customer's average monthly usage or one-sixth of the cost of the customer's outstanding balance, whichever is greater, in cases where termination has been scheduled for nonpayment.

Fifth, the emergency tariff modifications during the pandemic provided that in cases where a field visit was not made to terminate service, DPAs were afforded with a down payment of the lesser of 20 percent of the balance owed or one-half the cost of the customer's average monthly usage in addition to the full amount of all charges billed and owed after the final termination notice was issued and the DPA was signed. The proposed tariff modification states that in cases where a field visit was not made to terminate service, a DPA would require a down payment of the greater amount between 30 percent of the balance owed or twice the cost of the customer's average monthly usage, in addition to the full amount of all charges billed and owed after the final termination notice was issued and the DPA was signed.

More than three years have passed since the COVID-19 State of Emergency ended. As a result, Staff finds that it is reasonable for LIPA to revert its Tariff to pre-

¹¹ Executive Order (A. Cuomo) No. 210.

pandemic measures for Non-Residential customers who seek to negotiate DPAs and/or apply security deposits to outstanding balances. Additionally, LIPA's proposal realigns the Tariff with the regulations governing the IOUs concerning provision of service to Non-Residential Customers.¹² Accordingly, the Department supports adopting the Tariff modifications as proposed.

Customer Benefit Contribution Charge

LIPA proposes to modify its Tariff concerning the applicability of the CBC charge to DG systems that were interconnected prior to January 1, 2022, to align itself with Commission policy. LIPA's proposal amends the Tariff to state that the CBC charge will not apply to DG systems interconnected before January 1, 2022, that add incremental capacity to their qualifying electric generating equipment. Further, it clarifies that the CBC charge will apply on the full capacity of DG systems interconnected before January 1, 2022, which have undergone a complete replacement. Also, the proposed amendment differentiates between these two scenarios by providing definitions of incremental capacity expansion and complete system replacement.^{13, 14} This tariff modification will impact approximately 661 customers who will no longer be subject to the CBC charge and will save \$13 per month on average.

The Commission issued an Order Addressing Customer Benefit Contribution Charges on June 21, 2024.¹⁵ The June 2024 Order provided guidance to align utilities in the application of the CBC charge in situations when customers added capacity to their existing DG systems. The Order clarified that any system interconnected prior to January 1, 2022, that undergoes capacity expansion will not be subject to the CBC charge. Further, the Commission specified that the CBC charge should apply to DG systems that are initially interconnected or completely replaced after January 1, 2022.

Staff finds that LIPA's proposal to modify the Tariff regarding the CBC charge is consistent with the Commission's June 2024 Order and aligns LIPA with New York State IOU practices. In addition, the modification clarifies any ambiguity in applying the CBC charge by clearly delineating the factors that determine whether the CBC is applicable. Therefore, Staff recommends the modification to the CBC charge provisions of the Tariff be adopted as proposed.

¹² 16 New York Codes, Rules and Regulations (NYCRR) §§ 13.5 and 13.7.

¹³ LIPA's Customer Benefit Charge Tariff Proposal, p. 3 (states that a Complete System Replacement occurs if the solar panels and inverter are replaced).

¹⁴ *Id.*, p. 4 (defines Incremental Capacity Expansion as capacity addition to the system after initial installation, which does not replace the solar panels and the inverter).

¹⁵ Case 15-E-0751, In the Matter of the Value of Distributed Energy Resources, Order Addressing Customer Benefit Contribution Charges, (issued June 21, 2024).

Small Generator Interconnection Procedure

LIPA proposes modifying its SGIP to align with changes the Commission made to its Statewide Standardized Interconnection Procedures (SIR). The SGIP, like the SIR for the IOUs, serves as a framework for connecting new or modified distributed generators to LIPA's distribution system. On April 21, 2023, the Commission adopted changes to ensure that all smart inverters installed in New York under the SIR process are tested and certified to the latest industry standards and practices following recent updates to the Institute of Electrical and Electronics Engineers (IEEE) 1547 standards for smart inverter functionality and the associated testing certification.¹⁶

LIPA has proposed several changes to the SGIP to align it with the changes that the Commission made to the SIR in its April 21, 2023, Order.¹⁷ LIPA proposes to add references to the most recent revision of Underwriter Laboratories (UL) 1741, including supplement B (UL 1741 SB), which provides safety standards for inverters, converters, and interconnection system equipment used with Distributed Energy Resources (DERs). Also, LIPA's proposal will add language that requires PSEG LI to provide the applicant with an updated cost estimate. Applicants would receive this update within ten (10) Business Days from the completion of design work if the scope of work has changed from the Coordinated Electric System Interconnection Review estimate. This proposal also adds a process for removal from the interconnection queue if a timely deposit payment is not made or if the applicant does not complete a timely final acceptance.

LIPA also proposed changes to the definition of Site Control to clarify documentation requirements for the interconnection customer to demonstrate the necessary control of the property where the interconnection facility will be sited. LIPA proposed changes to Appendix H, Property Owner Consent Form, and Appendix H-1, Site Control Certification Form to clarify which entity must sign these forms when the landowner is different from the building owner. LIPA asserts that these modifications will not have a financial impact.

Staff has reviewed the proposal and determined that the proposed changes to the SGIP will not have a material financial impact. Additionally, the proposed changes align LIPA with the Commission's April 2023 Order. Therefore, Staff recommends approval of the changes to SGIP as proposed.

IEDR

In 2022, LIPA and PSEG LI agreed to contribute to the development cost of New York's Integrated Energy Data Resource (IEDR) platform, and collaborate on the alignment of its energy-related data activities to transfer the same data as the IOUs to

¹⁶ Case 22-E-0713, Petition of the IPWG/ITWG Members Seeking Certain Minor Amendments to the New York State Standardized Interconnection Requirements, Order Modifying Standardized Interconnection Requirements, (issued April 21, 2023) (April 2023 Order).

¹⁷ April 2023 Order, Appendices A and B.

the IEDR.¹⁸ The IEDR platform will host energy-related information from New York’s utilities “to enable effective access and use of ... customer data and energy system data by New York’s energy service entities.”¹⁹ Further, the IEDR will enable developers to more readily access customer energy usage data, which will reduce the cost to deploy Distributed Energy Resources (DERs) across New York.²⁰

On July 17, 2024, LIPA provided notice in the State Register that it proposes to modify its tariff for Electric Service to modify LIPA’s liability if the IEDR platform improperly releases LIPA-provided customer data.²¹ The July 2024 LIPA IEDR Tariff Proposal is intended to be “consistent with tariff amendments filed by the Joint Utilities as ordered by the Commission in its Order Addressing Integrated Energy Data Resource Matters issued on October 13, 2023.”²² Further, the July 2024 LIPA IEDR Tariff Proposal will “eliminate any LIPA liability for improper access or sharing of relevant customer data after it transfers such data to the IEDR platform,” and acknowledged that the customer is the owner of this data.²³

On December 1, 2022, New York State’s IOUs filed a Petition (Petition) requesting, among other items, that the Commission approve “tariff changes to eliminate any utility liability for any improper access or sharing of Customer Protected Data by the IEDR Administrator.”²⁴ Subsequently, on October 13, 2023, the Commission directed the IOUs to “file proposed tariff revisions consistent with the language proposed in the Petition for Commission review.”²⁵ The specific language referenced from the Petition stated:

The [Utility] has provided non-anonymized and non-aggregated customer specific data to the State’s Integrated Energy Data Resource (IEDR) pursuant to the New York Public Service Commission’s [XX Order] in Case 20-M-0082. If such data is improperly released from the IEDR as the result of a cyber-related incident, or inadvertently disclosed by the IEDR administrator or its agents or contractors due to an operational error, the [Utility] will not be liable for such release or disclosure.²⁶

¹⁸ Matter 14-01299, PSEG-LI Utility 2.0 Long Range Plan, Utility 2.0 – Department of Public Service Staff Recommendations Memo 2022 (filed December 12, 2022), p. 9.

¹⁹ Case 20-M-0082, Proceeding on Motion of the Commission Regarding Strategic Use of Energy Related Data, Order Addressing Integrated Energy Data Resource matters (issued October 13, 2023), p. 3. (October 2023 IEDR Order).

²⁰ Case 20-M-0082, Supra, Order Instituting Proceeding (issued March 19, 2020), p. 8.

²¹ LIPA IEDR Tariff Proposal, (July 17, 2024), p.1. (July 2024 LIPA IEDR Tariff Proposal).

²² Id.

²³ Id., pp. 3 and 5.

²⁴ Case 20-M-0082, Supra, Order Approving Tariff Amendments With Modification On A Permanent Basis, (issued November 19, 2024) (November 2024 IEDR Order), p. 3.

²⁵ October 2023 IEDR Order, p. 15.

²⁶ Id., p. 5.

The Commission also directed the IOUs to include language in their tariffs that “explicitly acknowledge that the customer (and not the utility) is the owner of the customer’s data.”²⁷ Further, the Commission ordered the IOUs to file the necessary IEDR related tariff revisions to comply with the Commission’s directives within 30 days of the October 13, 2023, IEDR Order.²⁸

The tariffs filed by the IOUs to comply with the October 2023 IEDR Order were largely inconsistent with the Commission’s directives.²⁹ These inconsistencies included “overly specific references to ‘Data Sets’” and language “that expands the utilities’ limitation of liability to any improper access or sharing of data and not just the data transferred to the IEDR platform,” which exceeds the Commission’s intent in the October 2023 Order.³⁰ On November 19, 2024, the Commission issued a subsequent Order (November 2024 Order) directing the IOUs, other than Liberty Utilities, to include the following language in their tariffs, to become effective on December 1, 2024:

[Utility] has provided non-anonymized and non-aggregated customer specific data to the State’s Integrated Energy Data Resource (IEDR) pursuant to the New York Public Service Commission’s Order Addressing Integrated Energy Data Resource Matters issued on October 13, 2023 in Case 20-M-0082. If such data is improperly released from the IEDR as the result of a cyber-related incident, or inadvertently disclosed by the IEDR administrator or its agents or contractors due to an operational error, [Utility] will not be liable for such release or disclosure. Consistent with the Commission’s policies regarding data ownership, the customer (not the utility), is the owner of the customer’s data.³¹

To ensure that LIPA’s energy-related data practices are aligned with those of the New York IOUs, it is critical that LIPA’s tariff be as consistent as possible with the IOU tariffs concerning the IEDR. LIPA requested a change to the tariff language contained in the November 2024 Order to address malicious acts by the IEDR administrator. While the Department asserts that the tariff language in the November 2024 Order adequately covers malicious acts, the requested change does not materially impact the intent of the language contained in the November 2024 Order. Accordingly, DPS recommends that LIPA revise its proposed tariff language to align with the tariff language contained in the Commission’s November 19, 2024, Order. DPS recommends the Tariff read as follows:

“LIPA may provide non-anonymized and non-aggregated customer specific data to the State’s Integrated Energy Data Resource (IEDR) consistent with the New York Public Service Commission’s Order Addressing Integrated Energy Data

²⁷ *Id.*, p. 15.

²⁸ *Id.*, p. 17.

²⁹ November 2024 IEDR Order, pp. 8-9.

³⁰ *Id.*, pp. 9-10.

³¹ November 2024 IEDR Order, p. 10.

Resource Matters issued on October 13, 2023, in Case 20-M-0082. If such data is improperly released from the IEDR as the result of a cyber-related incident, or inadvertently disclosed by the IEDR administrator or its agents or contractors due to an operational error, or maliciously disclosed by the IEDR administrator or its agents or contractors, LIPA will not be liable for such release or disclosure. Consistent with the Commission's policies regarding data ownership, the customer (not the utility) is the owner of the customer's data."

Further, DPS recommends that the modified tariff language go into effect on January 1, 2025.

Maintaining consistency between LIPA's IEDR-related tariff language and the IOU's IEDR-related tariff language will ensure that the IEDR platform will operate successfully across all of New York. A successful IEDR platform will provide users of the platform with "effective access and use of integrated energy customer data and energy system data by New York's energy service entities,"³² and support the deployment of DER's throughout the State, and help New York achieve its CLCPA goals.

For these reasons, DPS recommends that the LIPA Board adopt the Tariff language provided above to maintain consistency with the State's other IOUs and support the deployment of DERs across the LIPA service territory.

Conclusion

Department Staff has reviewed LIPA's proposed Tariff modifications and finds the proposed updates consistent with Commission Orders, DPS Staff Whitepapers, and other New York IOU Tariffs. The Department therefore recommends that, in accordance with the foregoing discussion, the Tariff modifications be adopted by the LIPA Board.

Respectfully submitted,



Rory M. Christian
Chief Executive Officer

CC: John Rhodes, LIPA Acting Chief Executive Officer
Bobbi O'Connor, LIPA General Counsel & Secretary to the Board of Trustees
William Wai, LIPA Director of Rates
David C. Lyons, PSEG LI Interim President and Chief Operating Officer
Andrea Elder-Howell, PSEG LI VP Legal Services
Joseph Trainor, PSEG LI Senior Manager of Rates
Carrie Meek Gallagher, DPS LI Director
Nicholas Forst, DPS LI Deputy Director
Peter Hilerio, DPS LI Counsel

³² October 2023 IEDR Order, p. 3.

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LONG ISLAND POWER AUTHORITY

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PUBLIC COMMENT SESSIONS

RE: LIPA'S 2025 Proposed Budget and Tariff
Proposals

-----X

H. Lee Dennison Bldg
100 Veterans Memorial Hwy -
Hauppauge, NY 11788

November 25th, 2024
10:00 a.m.

B E F O R E:

WILLIAM WAI,
Director of Rates, LIPA

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A P P E A R A N C E S:
FOR LIPA
William Wai, Director of Rates
Donna Mongiardo
Gaspare Tumminello
Marc Russo, Stenographer

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P R O C E E D I N G S

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THE PRESIDING OFFICER: Good

4

morning. Welcome to this morning's public hearing

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of the Long Island Power Authority. My name's

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William Wai. I'll be presiding officer for this

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morning's hearing.

8

Along with me is Donna Mongiardo,

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Chief Financial Officer for LIPA. The purpose of

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this hearing is to receive public comment regarding

11

proposed changes to the Authority's tariff on five

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topics.

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A Copy of the tariff proposal it's

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available for -- on the Authority's website,

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www.lipower.org. And it's incorporated into this

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record for this hearing.

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The procedures for this morning's

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public hearing is simple. In a moment, Donna and I

19

will provide a short overview of the tariff change

20

proposal in LIPA 2025 budget. After that, I'll go

21

to call for comments from the public from the

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signup sheet.

23

When you are called to speak,

24

please come sit in the table right next to the

25

microphone and start by telling us your name and

1

2 whether you are speaking on behalf of any
3 organization or group. If you want to speak this
4 morning and have not signed up yet, you will need
5 to do so before speaking.

6 Please note that as the purpose of
7 this hearing is to receive your comments, we will
8 not be responding to questions and comments today.
9 Your comments will be relayed to the Authority
10 staff and the Board of Trustees for their
11 consideration at the next board meeting.

12 If you have questions as opposed
13 to comments, we'll be happy to discuss them with
14 you after the session. You can also email or write
15 to us with any comments you have. They'll be
16 included for the record to the trustees.

17 Now, let's turn to the proposal.

18 First, to implement the rate
19 adjustments as determined through the annual budget
20 process; Donna will present as part of the 2025
21 budget.

22 Second, to discontinue temporary
23 emergency measures put in place during the COVID-19
24 pandemic that allowed for eased repayment terms.

25 Third, to provide consistency with

1

2 statutory amendments to the New York State Home
3 Energy Fair Practices Act and clarifying
4 definitions of residential and nonresidential
5 customers.

6 Fourth, to align LIPA's
7 interconnection procedures with this New York State
8 Standardized Interconnection Requirements and
9 modify the definitions of site control-related
10 property where distributed generators are to be
11 installed.

12 And lastly, to clarify the
13 application of customer benefits contribution
14 charge to distributed generation systems.

15 Now let's go to the 2025 budget.
16 Let's turn to Donna.

17 MS. MONGIARDO: Can I just read
18 this?

19 THE PRESIDING OFFICER: Yep.

20 MS. MONGIARDO: From over here,
21 can you hear me?

22 THE PRESIDING OFFICER: Just right
23 here.

24 MS. MONGIARDO: Today we have for
25 you LIPA's proposed 2025 operating budget. Despite

1

2 increases in labor costs and inflation, we have
3 other cost-saving initiatives to offset and remain
4 relatively flat while ensuring sufficient funding
5 to maintain and operate the system in a manner that
6 meets the LIPA's Board of Trustee policy
7 objectives.

8 However, would be -- the charts
9 aren't showing in there is the problem. As shown
10 in the chart, due to increased debt service
11 requirements and power supply costs, total
12 operating revenue is increasing by \$146 million.
13 3.5 percent. As shown in the table, 106 million is
14 debt service. 49.3 is power supply charge.

15 LIPA's proposed capital budget on
16 page seven, Gaspare, is increasing by \$22 million.
17 We have \$928 million for 2025 compared to 905
18 million. We'll continue to -- but we will continue
19 to have significant investments in the electric
20 grid, including the addition of transmission
21 projects for offshore wind and the development of a
22 new operations yard.

23 Our projected change in a typical
24 residential customer bill for 2025 is estimated to
25 be \$7 and 27 cents. 3.9 percent higher in 2025, the

1
2 2024, as I've already stated, that's due primarily
3 to higher debt service requirements, which are
4 projected to increase by 106 million, approximately
5 \$4 and 40 cents on the typical bill. Also, a
6 higher power supply cost of 49 million,
7 contributing a dollar 97. However, we are also
8 estimating an increase in customer usage due to
9 electric beneficial electrification with EV
10 adoption and heat pumps.

11 Our power supply cost is projected
12 to go up \$49 million. A significant portion of
13 this is related to regional greenhouse gas
14 initiative allowances, which are driven solely by
15 an increase in market prices. We're projecting an
16 increase of \$86 million, \$17 million increase in
17 zero-emission credits, and a full year of renewable
18 energy at 9 million.

19 We've been able to offset some of
20 those increases and have decreased in pass-through
21 property taxes and \$33 million in purchase power
22 commodity costs, including our estimated savings of
23 a new prepaid transaction for LIPA saving customers
24 approximately \$4 million a year.

25 Our extreme weather events, a

1

2 storm budget where is remaining flat. It's a
3 volatile cost and we've proposed keeping that at
4 \$84 million unchanged from 2024.

5 On the next page. So the benefits
6 that we've achieved as being a public power
7 utility, we are eligible for FEMA grants. LIPA has
8 either received or has pending to receive
9 approximately two point \$0.4 billion of storm
10 restoration grants, as well as mitigation grants
11 that would've otherwise have been paid for by our
12 customers.

13 On the next page, we show how
14 LIPA's rates are regionally comparable to other
15 utilities as well as our system average rate
16 increase is lower than all our other utilities
17 within the regional area.

18 On the next page, to show that
19 LIPA's increase in rates has also remained below
20 inflation. As you can see, LIPA is only at 22
21 percent and on the other end, gasoline has been as
22 high as 35 percent since 2018.

23 Within this budget, we're also
24 trying to balance the needs of our low to
25 moderate-income customers. As you can see on the

1

2 chart to the right, LIPA has increased funding for
3 our low and moderate increase -- our low and
4 moderate-income customers with the goal that energy
5 bills should be no greater than 6 percent of
6 household income.

7 In 2024, we received an additional
8 4 million of funding through 3.8 percent increase
9 in annual discount. And that will continue through
10 2025.

11 And lastly, our budget -- our
12 proposed budget is -- maintains our fiscal
13 sustainability policy through -- with this policy.
14 Since 2013, LIPA has received five credit rating
15 upgrades with the latest in July 2024, coming from
16 Fitch ratings.

17 During 2024, Fitch upgraded LIPA
18 to A plus rating with a stable outlook, noting
19 LIPA's improved leverage ratio, stating that it has
20 decreased over the past five years and expected to
21 further decline in further years, which is evident
22 from an improvement supported by strategic
23 budgeting and higher fixed obligation coverage.

24 That concludes the budget
25 proposal.

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THE PRESIDING OFFICER: Thanks, Donna. Now I'm opening the floor for public comments, telling the people in the room. Do we have any?

(No response.)

THE PRESIDING OFFICER: No. There are currently no public members in the room.

MR. TUMMINELLO: And on a side note, you can also click on these links to access the material.

THE PRESIDING OFFICER: Yeah. At the -- it --

MS. MONGIARDO: Which we don't know.

THE PRESIDING OFFICER: Yeah, the PowerPoint slides. There's also a link to the proposals. Since no -- there's no public members in the room, I'll be going off the record now.

(A recess was taken.)

THE PRESIDING OFFICER: Okay. Let's get back into the record. Okay. The time is 10:32 a.m. we don't have any public members in the room. We're going to close the record.

(Whereupon, the proceedings

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2 concluded.)

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STATE OF NEW YORK)
SS.
COUNTY OF NEW YORK)

I, MARC RUSSO, a Shorthand
(Stenotype) Reporter and Notary Public within and
for the State of New York, do hereby certify that
the foregoing pages 1 through 12, taken at the time
and place aforesaid, is a true and correct
transcription of my shorthand notes.

IN WITNESS WHEREOF, I have
hereunto set my name this 4th day of December,
2024.



MARC RUSSO

Concordance

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July 2024 ,

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25th , 2024

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Concordance

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LONG ISLAND POWER AUTHORITY

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HYBRID PUBLIC COMMENT SESSIONS

RE: LIPA'S 2025 Proposed Budget and Tariff
Proposals

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LIPA
333 Earle Ovington BLD.
Uniondale, New York
November 25, 2024
6:00 p.m.

B E F O R E:

WILLIAM WAI,
Director of Rates, LIPA

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A P P E A R A N C E S:
William Wai
Donna Mongiardo
Public Speakers
Marc Russo, Stenographer

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P R O C E E D I N G S

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THE PRESIDING OFFICER: Good

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evening. Welcome to LIPA's public comments

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regarding the proposed change to the authorities'

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tariff on five topics. Copy of the tariff top

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proposal are available on our Authority's website

8

www.lipower.org, and are incorporated into the

9

record for this evening's hearing.

10

The procedures for this evening's

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public hearing is simple. In a moment, Donna and I

12

will provide a short overview of the tariff change

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proposals in Life's 2025 budget.

14

After that, I'm going to call for

15

comments from the public on the sign-up -- sign

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sheet. When you're called to speak, please come

17

close to the microphone over there, and start by

18

telling us your name, whether you are speaking on

19

behalf of any organizations or group. If you want

20

to speak this evening and have not signed in yet,

21

you need to do so before speaking.

22

Please note that the purpose of

23

this hearing is to receive your comments and we

24

will not be responding to questions or comments

25

today. Your comments will be relayed to the

1

2 Authority staff and board of trustees for their
3 consideration at the next board meeting.

4

5 If you have questions as opposed
6 to comments, we'll be happy to discuss with you
7 after this session. You can also email or write to
8 us with any comments you might have. They will be
9 included for the records to the trustee.

10

11 Now let's turn to the proposal.

12

13 There are five proposals for
14 today's hearing;

15

16 First, to implement the rate
17 adjustments as determined through the annual budget
18 process; Donna will present as part of the 2025
19 budget.

20

21 Second, to discontinue temporary
22 emergency measures put in place during the COVID-19
23 pandemic that allowed for eased repayment terms.

24

25 Third, to provide consistency with
26 statutory amendments to the New York State Home
27 Energy Fair Practices Act and clarifying
28 definitions of residential and nonresidential
29 customers.

30

31 Fourth, to align LIPA's
32 interconnection procedures with this New York State

1
2 Standardized Interconnection Requirements and
3 modify the definitions of site control-related
4 property where distributed generators are to be
5 installed.

6 And lastly, to clarify the
7 application of customer benefits contribution
8 charge to distributed generation systems.

9 Now I'll turn it to Donna for
10 LIPA's 2025 budget.

11 MS. MONGIARDO: Thank you. Today
12 we have LIPA's 2025 proposed operating budget,
13 which was presented to LIPA's board last week. We
14 have an increase in our operating revenues of
15 approximately \$146 million compared to 2024, which
16 you could see in that table.

17 Despite increases in labor costs
18 and overall inflation, productivity and other
19 cost-saving initiatives provided offsets to remain
20 relatively flat while ensuring funding to maintain
21 and operate the system in a manner that meets
22 LIPA's board of trustee policy objectives.

23 However, due to our increased debt
24 service requirements and power supply costs, we are
25 having increased operating revenue. We have a 106.4

1

2 million increase in debt service and coverage, and
3 49.3 in power supply.

4

5 Our proposed capital budget is
6 also increasing by about \$22 million compared to
7 2024. We're at \$928 million. Within that capital
8 budget, we'll continue to invest in the electric
9 grid, including the addition of transmission
10 projects for offshore wind development and the
11 development of a new operations yard.

12

13 The operating revenue and other
14 impacts is bringing the typical residential bill
15 projected to be about \$7 and 27 cents higher in
16 2025 than budgeted in 2024. As the table shows
17 similar to the table on the operating revenues, we
18 have higher debt service requirements and related
19 coverage, which is projected to increase by the 106
20 million, impacting the increase by about \$4 and 40
21 cents.

22

23 We also have higher power supply
24 costs of \$49 million impacting the residential
25 monthly bill by dollar 97. However, our post-supply
cost streaks up to actual, so if we do incur low
costs, the customers won't see those lower costs.

26

The left column in that table

1

2 shows that our -- we also are projecting an
3 increase in average usage by our residential
4 customers, which is impacting that rate by dollar
5 89 for 1.1 percent. We're expecting increased
6 usage because of beneficial electrification with EV
7 adoption and electric heat pumps.

8 Our power supply costs, which are
9 going up \$49 million. The biggest item impacting
10 power supply charge is 86 million increase in
11 regional greenhouse gas initiative allowances, and
12 that is driven by a significant increase in market
13 prices. There's been a decrease in the amount of
14 allowances available, so there's an increase in the
15 price. We have \$17 million increase in purchases,
16 assumed for zero-emission credits, and \$9 million
17 increase related to renewable energy.

18 We did offset some of these
19 increases with the projected decrease in the
20 pass-through property taxes on our power plants for
21 due to -- we've had the continuing benefits of our
22 tax settlements, and that's about \$24 million in
23 2025.

24 We also have a \$33 million
25 reduction in purchase power and commodity costs,

1

2 including our estimated savings of \$4 million for
3 LIPA's first prepaid energy transaction, which is
4 estimated to save our customers over \$30 million
5 over the term of the contract.

6 Included in the 2025 budget is
7 planning for extreme weather events. Our storm
8 budget has stayed flat year over year. Our
9 proposed 2025 storm budget remains at \$84 million.
10 Any amounts that come in under budget go to a storm
11 reserve account being held for future events. So,
12 2023 is expected to come in around 62 million.

13 Utilizing our status as a public
14 power utility, LIPA as a public power utility is
15 eligible for storm recovery federal grants, which
16 would not be afforded for -- under for-profit
17 utilities, IOUs, LIPA has received multiple grants
18 to help offset storm cost recovery as well as
19 mitigation grants to fund future system needs. So,
20 we've saved our customers about \$2.4 billion that
21 would normally have to be funded by our customers.

22 Also, in 2024, LIPA was awarded
23 \$425 million of mitigation grant. This is related
24 to tropical storm Isaias. We are going to continue
25 our successful storm hardening program that we

1

2 undertook after Super Storm Sandy. FEMA has also
3 provided a \$10 million mitigation grant to replace
4 utility poles in disadvantaged communities.

5 So, this chart -- this shows LIPA
6 System electric rate is about 22.90 cents in 2024,
7 and that is 29 percent below our highest-priced
8 regional utility. LIPA being in a highly regional
9 area compares itself to regional utilities. So, we
10 range from ConEd, which 32.30 down to PSEG, which
11 is down at the lower end of 17.6.

12 On the right-hand side is a chart
13 that shows system averages since 1997 through 2024.
14 And again, LIPA is trailing at only a 44 percent
15 increase over that time period compared with 162
16 percent for the highest utility there.

17 Our electric prices over the same
18 timeframe has remained below inflation. Since 2018,
19 gasoline has gone up 35 percent; transportation
20 services, 35; foods 32 percent; housing, 29.7; the
21 consumer price index, 25.5; natural gas, 25.2; and
22 electric bills at 22 percent.

23 We also try to balance needs of
24 our low to moderate-income customers. We continue
25 to offer electric bill discounts for our low

1
2 moderate-income customers with a goal that energy
3 bill should be no greater than 6 percent of
4 household income. The chart on the right-hand side
5 shows the funding for 2025, which is being
6 increased to a little over \$30 million.

7 In 2024, we provided an additional
8 \$4 million funding through 3.8 percent increase in
9 the annual discount, and that is assumed to
10 increase will continue through 2025.

11 LIPA also offers enhanced heat
12 pump incentives up to \$11,000 for low-income
13 households. And there's also a new federal tax
14 incentive that provides enhanced rebates for
15 low-income households.

16 Our 2025 maintains what is
17 required in a fiscal sustainability policy. Since
18 2013, LIPA has received five credit rating upgrades
19 without latest in July 2024 coming from Fitch
20 ratings. Fitch upgraded LIPA to A positive rating
21 with a stable outlook. And with that, they noted
22 our improved leverage ratio stating that it has
23 increased over the past five years and it continues
24 -- it is expected to further decline in the future
25 years as our strategic budgeting includes the

1

2 higher fixed obligation coverages.

3

4 And we continue to meet this
5 obligation and we continue to deleverage our
6 balance sheet. And that table on the left-hand
7 side shows our ratings for the three major -- the
8 three rating agencies in 2013 compared to where we
9 stand in 2024. That concludes the proposed 2025
10 budget, and we'll take comments at this point,
11 William.

12

13 THE PRESIDING OFFICER: Yes.
14 Thanks, Donna. And again, these proposals are
15 available on LIPA's website and again is
16 lipower.org. And now we are going to open the
17 floor for public comments. Let's start with
18 members from --

19

20 MALE VOICE: Thank you. I want to
21 say something just really quickly before I read
22 some comments. You know because time is always
23 limited when I come to these things where I come to
24 board meetings, I don't really get to say the
25 positive things that I observe and I know that LIPA
is doing. And so I get put in the position
personally of having to make quick comments, which
mostly become comments that one could read as

1

2 unfriendly.

3

4 And I want to just let you know
5 that that's not my -- I hope that if I convey that,
6 that's not my attitude at all. I am a big
7 supporter of LIPA and my own history goes back in
8 the eighties when LIPA was created and my own wife
9 was very much part of the writing of LIPA
10 legislation. And so I am a big fan of the
11 institution. And so, when I do say things, it's
12 not meant because I want to rip it down by any
13 stretch of the imagination. And I hope you
14 understand that.

14

15 So, let me just tell you my
16 remarks. I sent them in as well. Okay. So, as
17 someone who follows carefully LIPA, is concerned
18 with filing ratepayer savings, it would've been
19 nice to arrive here with a list of detailed budget
20 cuts, but it's not easy for a ratepayer to make a
21 list of where, who, and, what to cut. And I'll get
22 to that in a moment.

22

23 Moreover, LIPA is an institution
24 that doesn't have high costs. The Board doesn't
25 get paid, like the management and staff are not
26 compensated on par with those in equivalent private

1

2 sector job titles. You probably know that I was
3 joking when I got here, is anybody getting overtime
4 for staying late tonight?

5 I know as a teacher that working
6 in the public sector is not the root to riches.
7 So, what would solve the rate problem? And we do
8 have a rate problem, I hope we all agree on that.
9 Regardless of those comments that you make. We
10 have high rates and it's an affordability crisis
11 here. We have 80 to 90,000 people that are having
12 a hard time paying their bills. We are the second
13 highest rates of similar municipally owned
14 utilities in the country.

15 And I know we live in New York and
16 I know all those things, but we have a problem.
17 So, what do we do about it? Cutting back. Is that
18 what we should cut back a number of paper clips,
19 pens? Should we go after people who take an
20 extended lunch now and again, who have childcare
21 obligations that require flexibility? Yes, maybe
22 LIPA might be able to reduce its footprint, but
23 that's not really the problem. We all know it.

24 We do know from management studies
25 like North Star that there are inefficiencies on

1
2 the PSEG side of the operation. I don't plan to
3 comment on those issues. The DPS audit did quite
4 well exposing those problems in glitches. When you
5 get right down to it, LIPA has extraordinary
6 expenses for a public power system. Doing
7 something about those problems, and LIPA is very
8 clear about those problems in all their public
9 reports means making waves. Doing something about
10 the big cost drivers takes strength. And to,
11 pardon my language, (unintelligible).

12 For example, LIPA is a non-profit
13 with an outsized property tax bill. Mr. Falcon and
14 LIPA took a lot of heat in their efforts to reduce
15 this burden, which is far -- still far too high.
16 So, I get not wanting to take on the politicians
17 who represent districts benefiting from property
18 taxes and pilots. No one welcomed being boxed on
19 the ears by Senator Goring.

20 But I don't get not taking other
21 reasonable steps like using the IRA as long as we
22 have it, we don't know how long that will last, and
23 looking to lower power supply costs. We know that
24 the power supply portion of the bill usually
25 accounts for largest share of rate hikes, yet LIPA

1

2 seems to have no taste for actually producing the
3 power its ratepayers consume. I do applaud the
4 staff for the recently announced money-saving power
5 supply agreement.

6 I want to say something about the
7 difficulty -- thank you for the time here. I want
8 to say something about the difficulty of
9 participating in the hearing and making a list of
10 either budget requests or budget cuts. I urged the
11 Board to reform its budget process. The way things
12 work now is a budget presentation and interested
13 ratepayers get to make comments on the budget.
14 There was no process which would allow for
15 meaningful participation.

16 As Mr. Rhodes and Chair Edwards
17 will know, the ratepayers of IOUs, like ConEd have
18 more rights than LIPA customers when it comes to
19 rate increases. In a rate case before the PSC, and
20 I've done them with LILCO in the old days, there's
21 a process of interrogatories, like, you know, a
22 ratepayers have the right to ask questions but have
23 no right to answers. How's that
24 ratepayer-friendly?

25 It's difficult enough for paid DPS

1

2 staff to look at the details of the budget. It's
3 an enormous problem for ratepayers. It needs
4 fixing and LIPA board has the power to do so. I'm
5 sure there is a way of accommodating requests for
6 information and a back-and-forth between LIPA
7 experts and ratepayers. After all, aren't we
8 really after the same thing?

9 So, I'll be -- I'll quickly end
10 because I have several budget requests, which I
11 just -- will make.

12 I've made these before. They're
13 mostly for studies that have to do with ratepayers
14 having no knowledge of the options before us. I
15 don't think it's sensible to go into the future
16 with one's eyes closed, except you close your eyes
17 when you're sleeping.

18 So, firstly, I'd like to see the
19 funding of a study of best public power practices
20 examining all relevant cost-saving measures. We
21 need to learn from other systems, public power
22 systems, what really works.

23 Secondly, we need to fund a study
24 of implementing the recommendation of the solar
25 roadmap done by the Nature Conservancy. The 2024

1

2 election makes this an urgent matter as offshore
3 wind projects LIPA is counting on may face
4 obstruction or cancellation.

5 Fund a study of ways LIPA and MIPA
6 could jointly develop renewable energy projects in
7 support of electrification. At the LIPA's hearings
8 on its renewable strategic plan earlier today, a
9 similar push for cooperation was made. If LIPA was
10 not actively represented in the conferral process,
11 it certainly should have been.

12

Fund a climate lawsuit.

13 Resiliency costs are growing rapidly. I've talked
14 about this before. Either rate bill or those
15 responsible will be forced to step up --

16

MALE VOICE: I should move and...

17

MALE VOICE 1: I pay for these

18 appropriations by reducing the projected increase
19 in management fees, which I saw scheduled in the
20 budget over 90 million.

21

Finally, I request a full and

22

counting of the Shoreham debt. What remains of the

23

original Shoreham-related debt? Was any of the

24

local Shoreham debt rolled over into bonds, which

25

are still outstanding? How much additional debt is

1

2 LIPA carrying because it couldn't adequately
3 support capital spending without borrowing? How
4 much has this all-cost rate payers? This is a
5 question asked by legislators and ratepayers alike
6 and needs to be put to rest. I thank you for your
7 patience and time.

8 THE PRESIDING OFFICER: Thank you
9 for your comment. Anybody else from the room? Do
10 we have anyone from the (unintelligible) people?
11 We have Ryan Madden.

12 MR. MADDEN: Good evening. Can
13 everyone hear?

14 THE PRESIDING OFFICER: Yes.

15 MR MADDEN: Wonderful. Thank you
16 so much. My name is Ryan Madden. I am the Climate
17 & Energy Campaigns Director for the Long Island
18 Progressive Coalition. Appreciate the time to
19 comment on the tariff proposals and 2025 LIPA'S
20 budget. I'm just going to go line by line for the
21 tariffs that we're commenting on and then provide a
22 quick -- some quick remarks around the overarching
23 budget.

24 So, regarding the liability
25 transfers to the integrated Energy Data resource

1

2 platform, while it makes sense, legal sense, it's
3 the authority's purview to absolve itself from
4 potential liability for data breaches associated
5 with IEDR. We recommend that LIPA make a written
6 comment to all LIPA customers that it will take
7 every effort possible to rent data breaches
8 associated with a transfer.

9 Regarding modifications, the New
10 York State Home Energy Fair Practices Act, we
11 support the updated language as it mirrors the
12 recent changes to the public service law to require
13 stricter rules on back billing for both residential
14 and non-residential customers, which helps protect
15 consumers from financial instability that can arise
16 from inconsistent or unforeseen charges. It also
17 fosters greater transparency and utility billing,
18 which will further the account holder's ability to
19 make informed decisions about their household
20 energy usage.

21 On sunset setting temporary
22 emergency emergency tariff changes put in place
23 during COVID-19, While the overall economy has
24 shown signs of recovery, some commercial customers,
25 many of which likely encompass small businesses,

1

2 are still grappling with the economic impacts of
3 the pandemic. We were thus concerned about
4 lessening protections for these customers at this
5 time.

6 We support the continuation of
7 these protections as they assist constituencies
8 that are falling behind on their electric bill and
9 offer valuable pathways for businesses of all sizes
10 to manage arrears and afford their utility bills
11 and prevent service terminations due to nonpayment.
12 The removal of these safeguards at this time seems
13 untimely, particularly when they serve the
14 practical solution to help the customer stay up to
15 date on their accounts and sustain operations
16 during challenging financial times.

17 Continuing these practices would
18 demonstrate a strong commitment to supporting the
19 economic recovery of businesses on Long Islands and
20 in the rapid pace.

21 And regarding overall 2025 budget.
22 LIPA's recent integrated resource plan states that
23 it plans to meet the State's clean energy mandates
24 at the lowest possible cost for its customers by
25 using all the tools available to derive the best

1

2 outcomes with 2025 budget a reflection of some of
3 those intentions. But as noted by the previous
4 speaker, it still does not seriously explore its
5 ability to build its own removals, especially
6 utilizing benefits under Inflation Reduction Act.

7 LIPA does not appear to be seeking
8 any IRA ratepayer benefits. Such existing plans
9 seem to be absent from the LIPA 2025 budget, which
10 should be addressed. With an incoming
11 administration hostile to climate action, LIPA must
12 swiftly -- must act swiftly before changes are made
13 to these federal incentives.

14 The viability of publicly owned
15 renewable energy infrastructure by LIPA from
16 offshore wind to midsize solar to thermal energy
17 networks to battery storage must be thoroughly
18 examined if the utility is taking seriously that
19 stated goal to meet CLCPA mandates at the lowest
20 possible cost using every tool possible. And this
21 is trouble only absent from the IRP and thus
22 reflected in the 2025 budget.

23 When it comes to offshore wind,
24 LIPA could look at co-ownership opportunities of
25 the New York Power Authority which had a public

1

2 hearing today where similar comments were made.

3 Great opportunity for public partnerships with

4 technical assistance support and financing.

5

When it comes to solar, LIPA could

6 look at the Long Island Solar Roadmap for prime

7 opportunities to step in, especially as it makes

8 targeted facility upgrades to expand hosting

9 capacity where the utility projects significant

10 growth in DER penetration.

11

Relatedly, LIPA should look into

12 installing and owning thermal energy networks. In

13 addition to making geothermal coupons more

14 affordable for ratepayers, the minimum -- minimal

15 fee for access to the network could provide another

16 revenue stream for LIPA. Again, other avenues of

17 exploration for a budget that seemed to be absent.

18

So, finally, we support the

19 continued increase in the annual discount funding

20 for low to moderate-income customers. Every

21 attempt at lowering utility burden should be made.

22

So, thank you for your time. Our

23 whole comments will be submitted in writing.

24

THE PRESIDING OFFICER: Thank you

25 for your comment. If there's anyone else that would

1

2 like to speak, please raise your hand.

3

(No response.)

4

5 THE PRESIDING OFFICER: Currently
6 we don't have anyone from the public who has signed
7 up to speak. I'm going off-record now.

7

(A recess was taken.)

8

9 THE PRESIDING OFFICER: We are
10 back on the record and no one is here to comment so
11 we will close the record.

11

12

(Whereupon, the proceedings were
12 concluded)

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STATE OF NEW YORK)

SS.

COUNTY OF NEW YORK)

I, MARC RUSSO, a Shorthand
(Stenotype) Reporter and Notary Public within and
for the State of New York, do hereby certify that
the foregoing pages 1 through 12, taken at the time
and place aforesaid, is a true and correct
transcription of my shorthand notes.

IN WITNESS WHEREOF, I have
hereunto set my name this 4th day of December,
2024.



MARC RUSSO

Concordance

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LONG ISLAND POWER AUTHORITY

-----X

PUBLIC COMMENT SESSIONS

RE: LIPA'S 2025 Proposed Budget and Tariff
Proposals

-----X

Rockaway YMCA
207 Beach 73rd Street
Queens, NY 11692

November 26, 2024
6:00 p.m.

B E F O R E:

WILLIAM WAI,
Director of Rates, LIPA

1

2

3 A P P E A R A N C E S :

4 William Wai

5 Gaspare Tumminello

6 Gerrard Ring

7 Marc Russo, Stenographer

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P R O C E E D I N G S

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THE PRESIDING OFFICER: Good

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evening. Welcome to this evening's public hearing

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of the Long Island Power Authority. My name is

6

William Wai, and I will be the presiding officer

7

for this hearing this evening.

8

Also with me is Gerry Ring,

9

Director of Budget for LIPA. The purpose of this

10

hearing is to receive public comments regarding

11

proposed changes to the Authority's tariff on five

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topics. Copies of the tariff proposal are

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available on the Authority's website,

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www.lipower.org, and are also are going to be

15

incorporated into the record for this hearing and

16

you will be given.

17

The procedures for this evening's

18

public hearing is simple. In a moment, Gerry and I

19

will provide a short overview of the tariff change

20

proposals in Life's 2025 budget.

21

After that, I'm going to call for

22

comments from the public on the sign-up sheet.

23

When you're called to speak, please come close to

24

the microphone over there, and start by telling us

25

your name, whether you are speaking on behalf of

1

2 any organizations or group. If you want to speak
3 this evening and have not signed in yet, you need
4 to do so before speaking.

5 Please note that the purpose of
6 this hearing is to receive your comments and we
7 will not be responding to questions or comments
8 today. Your comments will be relayed to the
9 Authority staff and board of trustees for their
10 consideration at the next board meeting.

11 If you have questions as opposed
12 to comments, we'll be happy to discuss with you
13 after this session. You can also email or write to
14 us with any comments you might have. They will be
15 included for the records to the trustee.

16 Now let's turn to the proposal.

17 There are five proposals for
18 today's hearing;

19 First, to implement the rate
20 adjustments as determined through the annual budget
21 process; Donna will present as part of the 2025
22 budget.

23 Second, to discontinue temporary
24 emergency measures put in place during the COVID-19
25 pandemic that allowed for eased repayment terms.

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Third, to provide consistency with statutory amendments to the New York State Home Energy Fair Practices Act and clarifying definitions of residential and nonresidential customers.

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Fourth, to align LIPA's interconnection procedures with this New York State Standardized Interconnection Requirements and modify the definitions of site control-related property where distributed generators are to be installed.

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And lastly, to clarify the application of customer benefits contribution charge to distributed generation systems.

16

17

Now, let me turn to Gerry for LIPA's 2025 budget.

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MR. RING: Good evening. My name is Gerrard Ring, Gerry Ring. I'm the Director of Budget at Long Island Power Authority to review the proposed 2025 budget, which is the operating budget, the capital budget, and the regular budget.

23

(Hearing was interrupted)

24

25

MR. RING: On page six is the proposed 2025 operating budget. Despite increases

1

2 of labor costs and overall inflation, productivity
3 and other cost savings initiatives provided offsets
4 to remain relatively flat while ensuring sufficient
5 funding to maintain and operate the system in a
6 manner that meets the LIPA's Board of Trustees
7 policy objectives.

8 However, due to increased debt
9 service requirements and power supply costs, total
10 operating revenue will increase to \$4.3 billion
11 from 4.2 billion in 2024. This is an increase of
12 \$126,000,000, or 3.5 percent. And the bar chart
13 shows that in 2024, the total budget was \$4.19
14 million on the left-hand side, the increase
15 includes debt service, power supplies refinancing,
16 profit, \$15 million for new initiatives, \$15
17 million for wages, \$10 million for labor inflation.

18 This is offset by savings of \$2.4
19 million to 5.5 to control energy efficiency and
20 utility and other cost savings initiatives of \$40
21 million.

22 Turning to the next page, we'll
23 discuss the capital budget. The proposed 2025
24 capital budget is \$928 million. This is an
25 increase of \$22 million compared to 2024 capital

1

2 budget.

3

4 The 2025 capital budget will
5 continue significant investments in the electric
6 grid, including the addition of transmission
7 projects for offshore wind and development of new
8 -- of new operations. And the chart to the right
9 shows a comparison of 2024 budget versus the 2025
10 budget by key category.

11

12 Turning to the next page, I'll
13 touch upon the impact to average residential bills.
14 The projected change in the typical average
15 residential bill in 2025 is an increase of \$7.27 or
16 3.9 percent higher in 2025 compared to 2024.

17

18 The increase is due to higher debt
19 service requirements and the related coverage,
20 which are projected to increase by \$106 million or
21 about \$4.40 in the average bill. Higher power
22 supply costs at \$49 million increase to the average
23 bill by about \$2 compared to 2024 budget. An
24 increase in the expected demand will add \$1.90 to
25 the average bill.

26

27 The bar chart to the right is
28 called a waterfall chart that bridges between 2024
29 average bill over an \$86.71 to 2025 projected

1

2 average bill of \$193.98, and increases are
3 itemized.

4 Turning to page on power supply
5 costs. In 2025, LIPA has projected a higher power
6 supply cost next year contributing about \$2 to the
7 average monthly bill. The fact is contributing to
8 this \$49 million increase in power supply cost
9 includes 86 million increases to secure regional
10 greenhouse gas initiative allowances, driven by a
11 significant increase in market prices. \$17 million
12 increase in purchase of zero-emission credits and a
13 \$9 million increase related to renewable energy.

14 These increases are partially
15 offset by a \$24 million decrease in pass-through
16 property taxes on power plants due to continuing
17 benefits of tax settlements and a \$33 million
18 reduction in purchased power and commodity cost,
19 including an estimated savings of approximately \$4
20 million for LIPA's first prepaid energy
21 transaction.

22 Turning to page 10, we'll touch
23 upon the Storm budget. LIPA's storm budget funds
24 the preparation, response and repairs necessary to
25 restore electric service after a big storm. The

1
2 proposed 2025 budget of \$84 million remains
3 unchanged from 2024. The bar to the right reflects
4 the prior actual span by year of storms as well as
5 the 2024 projection.

6 Page 11, we'll discuss public --
7 LIPA's status as a public power utility. LIPA's
8 status as a public power utility makes it eligible
9 for storm recovery of federal grants which are not
10 available to for-profit utilities. LIPA has
11 received multiple grants to help offset the cost of
12 storm recovery and climate resiliency for its
13 customers totaling \$2.4 billion.

14 In 2024, LIPA was awarded a \$425
15 million mitigation grant related to Tropical Storm
16 Isaias to continue its storm hardening program, and
17 FEMA provided a \$10 million mitigation grant to
18 replace utility poles in disadvantaged communities.

19 The other table on the page here
20 reflects different FEMA grants LIPA has received
21 over the last few years.

22 Turning to Page 12, comparing LIPA
23 rates to rates of regional utility service. LIPA's
24 system's average electric rate is 22.9 cents in
25 2024. This is 29 percent below the highest price

1

2 regional utility. The system's average electric
3 rates of the regional utility range from 17.6 cents
4 to 32.3 cents per kilowatt hour. LIPA's system
5 average rates are competitive on a long-term basis,
6 have risen slower than most other regional utility
7 rates.

8 Since taking over the system,
9 LIPA's rates increased to 44 percent. However,
10 this is compared to a range of about 70 percent to
11 162 percent for other utilities. The two bar
12 charts below show that LIPA's system rates fall
13 right in the middle of our regional neighborhood --
14 regional utilities; ConEd on the left side with the
15 highest with 32 cents, LIPA's in the middle with
16 22.9, PSEG New Jersey at 17.6.

17 The bar chart on the right shows
18 the cumulative increase in rates since 1997 with
19 LIPA at the low end of this chart at 44 percent.

20 Shifting to Page 13, electricity
21 prices remain below inflation. As the price of
22 goods and services throughout the country have gone
23 up, so have utility bills. Despite these
24 challenges, LIPA remains committed to providing
25 electricity at the lowest possible cost for

1

2 customers. We have achieved this as indicated in
3 the bar chart.

4

Over the last 2018 -- over the
5 last approximately six years, gasoline is up 35
6 percent, transportation 35 percent, food 32
7 percent, natural gas is 25 percent, your
8 electricity bill is up 22 units.

9

Turning to Page 14, how LIPA helps
10 low to moderate-income households. LIPA offers
11 electricity bill discounts to low and
12 moderate-income customers with the goal that energy
13 bills should be no greater than 6 percent of
14 household income.

15

In January 2024, LIPA's low-income
16 customers received an additional \$4 million of
17 funding, 9 percent, through a 3.8 percent increase
18 in the annual discount, which will continue to
19 2025.

20

LIPA also offers enhanced heat
21 pump incentives of up to \$11,000 for low-income
22 households. These enhanced rebates are
23 complemented by the federal tax incentive of up to
24 \$8,000 for low-income households who are installing
25 electricity.

1
2 On Page 15, we highlight LIPA is
3 maintaining fiscal sustainability and achieving
4 high credit rate. Since 2013, LIPA has received
5 five credit rating upgrades, with the latest one
6 July 2024 from Fitch Ratings. During 2024 Fitch
7 Ratings upgraded LIPA to an A+ rating with a stable
8 level, noting LIPA's improved leverage ratio,
9 stating it has decreased over the past five years
10 and is expected to further decline in Fitch
11 Ratings, an improvement that's afforded by
12 strategic budgeting and higher fixed-obligation
13 coverage.

14 And there's a table here that
15 shows how the ratings have decreased with the
16 credit rating agencies. 2013-2024, has improved,
17 LIPA has gone from A- to A, Fitch, A- to A+, and
18 Moody's Baal to A2.

19 THE PRESIDING OFFICER: Thanks,
20 Gerry. Again, the tariff proposal in the -- and
21 the slides are available on the authority's
22 website.

23 So, now let's go to -- let's move
24 to open the floor for public comments.

25 We don't have any public

1

2 participants on the floor now and I will close the
3 record.

4

5

MR. TUMMINELLO: We'll wait till
6:30.

6

7

THE PRESIDING OFFICER: Okay.
That is about 25 to 40 minutes.

8

9

MR. RING: Yes.

(A recess was taken.)

10

11

12

THE PRESIDING OFFICER: The time
is now 6:30 p.m., there are no public participants
in the room, we'll close the record.

13

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(Whereupon, at 6:30 p.m., the
meeting was adjourned.)

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STATE OF NEW YORK)

SS.

COUNTY OF NEW YORK)

I, MARC RUSSO, a Shorthand
(Stenotype) Reporter and Notary Public within and
for the State of New York, do hereby certify that
the foregoing pages 1 through 14, taken at the time
and place aforesaid, is a true and correct
transcription of the Zoom Video.

IN WITNESS WHEREOF, I have
hereunto set my name this 5th day of December,
2024.



MARC RUSSO

Concordance

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Established in 1979, the Long Island Progressive Coalition (LIPC) fights for structural change at the local, state, and national levels to attain racial justice, build community wealth, and realize a just transition to a 100% renewable energy future.



LIPA Tariffs & 2025 Budget

The Long Island Progressive Coalition (LIPC) is a grassroots community-based organization founded in 1979, with a long history of actively building NY's renewable energy future, as in 2011/2012 when we passed and implemented Green Jobs Green New York legislation and on-bill financing to provide low-to-moderate income homeowners with energy efficiency services. In 2019, alongside the statewide climate justice coalition NY Renews, we were instrumental in the multi-year campaign to pass the Climate Leadership and Community Protection Act (CLCPA). In 2023, as a part of the Public Power NY coalition, we helped pass the Build Public Renewables Act (BPRA) to expand the ability of NYPA to build renewables. And over the years we have developed solar projects with houses of worship and affordable housing developments across our region.

Our comments on LIPA's latest Tariff proposals and its 2025 Budget are informed by our commitment to a just transition to a 100% renewable energy economy for the region and our belief that LIPA has the potential to do more to ensure a more equitable future.

Liability transfers to the Integrated Energy Data Resource ("IEDR") platform

While it makes legal sense as it is the Authority's purview to absolve itself from potential liability for data breaches associated with IEDR, we recommend that LIPA make a written commitment to all LIPA customers that they will take every effort possible to prevent data breaches associated with IEDR.

Modifications to the NYS Home Energy Fair Practices Act

We support the updated language as it mirrors the recent changes to the Public Service Law to require stricter rules on back-billing for both residential and non-residential customers, which helps protect consumers from financial instability that can arise from inconsistent or unforeseen charges. It also fosters greater transparency in utility billing, which will further the account holder's ability to make informed decisions about their energy usage.

Sunsetting temporary emergency Tariff changes put in place during Covid-19

While the overall economy has shown signs of recovery, some commercial customers, many of which likely encompass small businesses, are still grappling with the economic impacts of the pandemic. We are thus concerned about lessening protections for these customers at this time. We support the continuation of these protections, as they assist constituencies that are falling behind on their electric bill and offer valuable pathways for businesses of all sizes to manage arrears, afford their utility bills, and prevent service terminations due to nonpayment.



The removal of these safeguards at this time seems untimely, particularly when they serve as a practical solution to help customers stay up to date on their accounts and sustain operations during challenging financial times. Continuing these practices would demonstrate a strong commitment to supporting the economic recovery of businesses on Long Island and in the Rockaways.

2025 Budget: Building Public Renewables, the IRA, and LMI Discounts

LIPA's recent IRP states that it plans to meet the state's clean energy mandates at the lowest possible cost for its customers by using all the tools available to derive the best outcomes, with the 2025 budget a reflection of some of those intentions. But it still does not seriously explore its ability to build its own renewables, especially utilizing benefits under the Inflation Reduction Act.

In August 2022, the Inflation Reduction Act passed, allowing public power utilities to benefit from direct pay tax credits. Subsequently, a Fitch presentation to the LIPA Board noted that the IRA opened new opportunities for public power systems to lower costs to ratepayers through direct ownership of renewable power projects, an issue that has been raised in public comment at LIPA Board meetings but seemingly ignored. By contrast, in Minnesota, utilities are required to maximize the benefits of the federal IRA in their IRPs. Michigan's largest utility, DTE Energy, in its recent IRP, projected \$500 million in savings after incorporating IRA tax benefits. DTE used compare and contrast graphics to illustrate the impact of IRA tax credits on wind, solar, and battery storage project costs. There are utilities around the country already figuring out how to leverage the IRA to the benefit of ratepayers. Notably, LIPA does not appear to be seeking IRA ratepayer benefits.

The first two initiatives identified by the recent IRP have to do with power supply - the 50% portion of customer bills which has been primarily responsible for recent rate increases. Initiative 1 calls for LIPA to "Participate in large-scale statewide clean energy procurements...using LIPA's low cost of capital where there are likely to be savings or localized opportunities." Initiative 2 reads: "Procure additional energy storage to reach up to 750MW on LI in cooperation with NYSEERDA and through selective LIPA procurements." The IRP makes no mention of IRA-related rate-reduction opportunities being integrated into these key initiatives and is thus not reflected in the 2025 budget. The absence of plans to utilize IRA funding in LIPA's 2025 budget needs to be addressed. With an incoming administration hostile to climate action, LIPA must act swiftly before changes are made to these federal incentives.

The viability of publicly owned renewable energy infrastructure by LIPA, from offshore wind to mid-sized solar to thermal energy networks to battery storage, must be thoroughly examined if the utility is taking seriously its stated goal to meet CLCPA mandates at the lowest possible cost by using every tool at its disposal. This is troublingly absent from the IRP and in the 2025 budget.

LONG ISLAND PROGRESSIVE COALITION

Established in 1979, the Long Island Progressive Coalition (LIPC) fights for structural change at the local, state, and national levels to attain racial justice, build community wealth, and realize a just transition to a 100% renewable energy future.



When it comes to offshore wind LIPA could look at co-ownership opportunities with the New York Power Authority. When it comes to solar, LIPC could look to the Long Island Solar Roadmap for prime opportunities to step in, especially as it makes targeted facility upgrades to expand hosting capacity where the utility projects significant growth in DER penetration. Relatedly, LIPA should look into installing and owning thermal energy networks. In addition to making geothermal heat pumps more affordable for ratepayers, the minimal fee for access to the network could provide another revenue stream for LIPA. LIPA is already required to pilot 2 thermal energy network projects. One was being explored with National Grid but was dropped for unclear reasons. LIPA should move forward on its own.

Finally, we support the continued increase in the annual discount funding for LMI customers. Every attempt at lowering utility burden should be made.

Sincerely,

A handwritten signature in black ink that reads "Ryan Madden".

Climate & Energy Campaigns Director

November 25, 2024

Hon. Tracey Edwards, Chair
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Re: 2024 LIPA Tariff Amendments

Dear Chair Edwards,

The Public Utility Law Project (“PULP”) writes today for the purpose of providing comments on the Long Island Power Authority’s (“LIPA”) proposed rulemaking requesting six tariff amendments.¹ PULP is New York’s only independent nonprofit and public interest law-firm whose sole interest is to advocate for low- and fixed-income utility consumers. PULP intervenes in all major utility rate cases before the State Public Service Commission, as well as in “generic proceedings” that will impact energy affordability for financially vulnerable households and disadvantaged communities (“DACs”). Herein, we provide comments on two of the six proposed tariff amendments. Please note, our silence on the other four should not be considered support nor opposition of those recommendations, but instead, PULP does not have an opinion on them at this time.

1. ***LIPA proposal: to modify the Tariff for Electric Service to be consistent with statutory amendments to the NYS Home Energy Fair Practices Act and to clarify the Tariff’s definitions of Residential and Non-Residential Customers.***

PULP writes in support of LIPA’s efforts to update its Tariff to match the recent changes to the Public Service Law that requires stricter rules on back-billing for both residential and non-residential customers.² The new law prohibits a bill from being issued more than three months late. The law holds the investor-owned utilities accountable and protects consumers from

¹ See, LIPA’s proposed rulemaking, available at: <https://www.lipower.org/proposed-rulemaking/>

² N.Y. Pub. Serv. Law, Article 2. § 41.

financial instability that can arise from inconsistent or unforeseen charges. PULP supports LIPA's efforts to update its own Tariff to match this important effort to limit back-billing.

PULP supported the original legislation because we felt that it served as a vital corrective measure to curb the over-reliance on estimated billing by some utility companies. The new law also incentivizes utilities to adopt more accurate and timely billing practices through the imposition of stricter rules on back-billing for both residential and non-residential customers, holding them accountable and protecting consumers from financial instability that can arise from inconsistent or unforeseen charges. Moreover, it also fosters greater transparency in utility billing, which will further the account holder's ability to make informed decisions about their household energy usage. We thank LIPA for its efforts to update their tariff to mirror the Public Service Law.

2. LIPA proposes to modify the Tariff for Electric Service to sunset temporary emergency Tariff changes put in place during the COVID-19 pandemic that allowed for eased repayment terms.

LIPA proposes to sunset emergency Tariff changes implemented during the COVID-19 pandemic, which were originally designed to ease repayment terms for "commercial" customers, were a critical lifeline during a time of widespread financial hardship. PULP notes that while the overall economy has shown signs of recovery, some commercial customers, many of which likely encompass small businesses, may still be grappling with the economic aftershocks of the pandemic.

PULP opposes this modification and instead, we recommend the continuation of these protections as they offer valuable pathways for businesses of all sizes to manage arrears, afford their utility bills, and prevent service terminations due to nonpayment. We maintain that the removal of these safeguards now seems premature, particularly when they serve as a practical solution to help customers stay current on their accounts and sustain operations during challenging financial times. Furthermore, continuing these practices would demonstrate a strong commitment to supporting the economic recovery of businesses on Long Island and in the Rockaways.

Respectfully submitted,

Laurie Wheelock, Esq.
Executive Director and Counsel - The Public Utility Law Project



L.I. Sierra Club

Comments on LIPA's Proposed 2025 Budget

November 24, 2024

First, we must congratulate the LIPA staff for producing a very attractive and clear budget document, far easier for the public to understand than any previous one. Now to the details:

The “income” side of the proposed budget contains income from grants issued by FEMA to LIPA for storm recovery and storm hardening efforts; the ability to receive such grants by virtue of LIPA's status as a “municipal” utility is a great benefit for Long Islanders. Such grants are not available to for-profit investor-owned utilities.

But there is another source of Federal funding that LIPA is totally ignoring, a source that should, but does not show up on LIPA's income statement. That overlooked source is the federal government's **Inflation Reduction Act**. Money can go, via this Act, to any entity – including non-profits - constructing renewable energy facilities.

LIPA can, and should, **build** (or have built) and **own** distributed solar energy generation that would be subsidized by the Inflation Reduction Act. Building such facilities would go a long way to speeding Long Island's share of the state's transition to a renewable energy economy.

The current solar technology is sufficiently mature for LIPA to be able to own it with confidence in its reliability and productivity. And because of the non-taxable nature of interest on LIPA's debt, LIPA should be able to borrow to cover (most of) the cost of such solar installations at a cost lower than any private developer would have to pay. The result: a double win on costs for renewable solar energy produced by LIPA-owned installations: a subsidy for lower construction costs. **Why is LIPA not planning and budgeting for the construction of such facilities?**

Solar generation is mentioned in LIPA's *2025 Budget's* Figure 3, reproduced below¹:

¹ LIPA 2025 Proposed Budget, page 21

Solar (1,419 MW)	Size (MW_{AC})	In-Service (Est./Act.)
Long Island Solar Farm	32	2011
Eastern Long Island Solar Project	11	2013
Shoreham Solar Commons	25	2018
Riverhead Solar	20	2019
Kings Park Solar 1 and 2	4	2019
Solar Feed-in Tariffs I-III	89	2021-2022
LI Solar Calverton	23	2021
Behind-the-Meter	1,200	2030
Solar Communities (FIT V)	15	2025
Offshore Wind (2,056+ MW)	Size (MW_{AC})	In-Service (Est./Act.)
South Fork Wind Farm	132	2024
Sunrise Wind	924	2026
Future Offshore Wind Additions	1,000+	2030s
Energy Storage (754 MW)	Size (MW_{AC})	In-Service (Est./Act.)
East Hampton & Montauk Storage	10	2018 & 2019
2023 RFP Awards (Pending)	179	2028
Future Storage Additions	565	2030
TOTAL	4,229+ (MW_{AC})	

While the red-circled portion is *identical to the corresponding figure in the 2024 proposed budget*, the Offshore Wind portion of the table shows the loss of both Empire Wind 2 and Excelsior Wind; they were replaced by a placeholder for “Future Offshore Wind Additions”.

This loss – or delay – of expected offshore wind projects will delay the attainment of the decarbonization goals of the Climate Leadership and Community Protection Act.

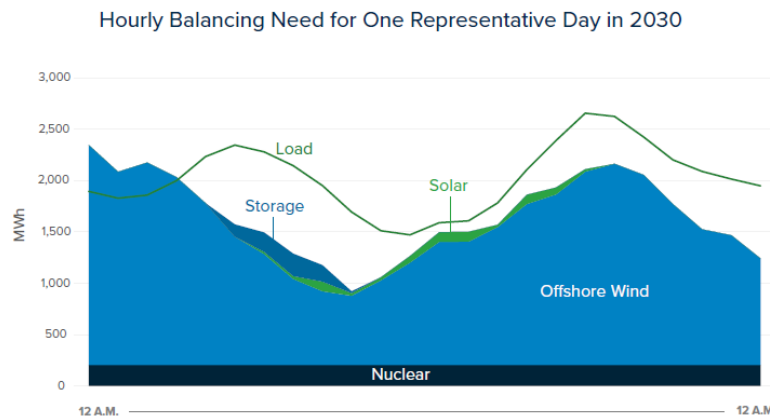
This chart also shows a grand total of 204 MW AC (circled in red) of large scale solar installed as of the issue date of the report at the end of 2024, and no additional solar farms projected to 2030. It also shows a projected 1,200 MW of *behind-the-meter solar*, **six times** the amount of *utility scale solar* (circled in red) that is anticipated to be installed by 2030. *Clearly solar is easier to install on Long Island in many smaller pieces than in just a few larger ones.*

Based on current residential total solar installations and installation rates, the projected total of 1,200 MW behind-the-meter solar appears to be almost exclusively residential installations with typical sizes of 8 to 9 kW.

Both of these formats have their disadvantages: utility scale solar requires a large amount of acreage (five acres per MW) on an island that has a shortage of open space that is only getting worse with time. Because of the small scale of many thousands of individual installations, behind the meter residential solar is expensive to install. In a net metering situation, it is also costly to LIPA which forgoes the delivery charge for residential self-generated energy.

The hourly balancing needs between renewable generation and demand for a “representative” day in 2030 are projected in LIPA’s Integrated Resource Plan (IRP) to be²:

² LIPA 2023 Integrated Resource Plan, Fig 15, p. 44



The IRP report explains:

“The gap between the load and the non-dispatchable resources would have to be served by controllable imports, **local fossil generation**, and energy storage. The load curve peaks in the morning and again in the early evening when the daily peak hour tends to occur. The significant dip during the daytime is due to the impact of behind-the-meter solar.” [emphasis added]

The gap so described for a “representative day” averages to about 500 MW, for a daily total of perhaps 10,000 or 12,000 MWh renewable energy shortage. *This projection was based on an optimistic schedule for the installation and operation of offshore wind generation by 2030; a schedule **which almost certainly will not be met** because of withdrawal of or delays in various proposed projects. Thus the gap between load and renewable supply will be larger than was estimated in the IRP. **However, a good part of this could be supplied by on-island solar generation.***

The logical place for such solar installations is atop flat roofs of the sort over big box stores, groceries, schools, etc. And for the lowest cost for the produced energy, LIPA should own these installations, rather than having them owned by third parties.

The *Long Island Solar Roadmap*³ explored the capacity of Long Island (Nassau and Suffolk Counties) to host “mid- to large-scale solar installations with a capacity of 250 kW DC or larger” on non-residential, non-sensitive lands, large flat rooftops, and parking canopies.

The *Solar Roadmap* indicates the “estimated potential of low-impact solar installation capacity on Long Island’s flat roofs” in DC MW to be 2,396 MW for “low density” installations, and 3,195 MW for “high density” installations.⁴ About 38% of this is situated in Nassau County, the balance in Suffolk County.

³ *Long Island Solar Roadmap*, 2021, The Nature Conservancy and Defenders of Nature

⁴ *ibid*, Table 4, p. 27. Low density is 6W/ft², high density is 8W/ft².

What is a practical implementation rate? If the *minimum* production rate for all sites considered by the Solar Roadmap is 250 MW DC, assumed here to be equivalent to 210 kW AC; the *average* must be greater than that. We can take the average site to be larger and capable of producing 300 kW AC. Then two flat roof project installed per week will yield an installed capacity of at least 30 MW AC per year. This is to be compared with the 90 MW from over 10,000 residential systems installed in 2023. Over the six years through 2030, these two roofs per week would reach a total of 180 MW, almost half of the 500 MW “representative” daily average shortfall.

This arrangement could simultaneously:

- Reduce the use of fossil fuels to fill the gap between demand and available carbon-free renewables;
- Obtain energy at a cost lower than, or comparable to that purchased from local fossil generation or imported from off-island;⁵
- Continue Long Island employment in the local solar industry;
- Provide steady income via roof rents to hosting companies, landlords, organizations;
- Help protect hosting roofs by partially shading them from damaging sunlight and heat;

For best results, this program should be run directly by LIPA, which should:

- Offer to lease roofs of suitable hosting sites;
- Directly own the solar arrays;
- Obtain significant Federal incentives for solar system costs through the Inflation Reduction Act

When battery costs decline further and there is no longer a fear of battery storage installations larger than those currently installed in residences, distributed energy storage – again owned and controlled by LIPA and eligible for incentives from the Inflation Protection Act – could be added to the flat roof program outlined above.

Peter J. Gollon, Energy Chair, Sierra Club Long Island Group
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⁵ <https://www.lazard.com/research-insights/2023-levelized-cost-of-energyplus/>

Fred Harrison
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November 25, 2024

Statement on LIPA 2025 Proposed Budget

As someone who carefully follows LIPA and is concerned with finding ratepayer savings, it would have been nice to arrive here with a list of detailed budget cuts. But it's not easy for a ratepayer to make a list of where, who and what to cut—I'll get to that in a moment. Moreover, LIPA as an institution doesn't have high costs. The Board doesn't get paid. LIPA management and staff are not compensated on par with those in equivalent private sector job titles. You probably know that. I know as a teacher that working in the public sector is not the road to riches. So, what would solve the rate problem? And we do have a rate problem-- I hope we all agree on that. Cutting back on the number of paper clips? Pens? Going after people who take an extended lunch now and again or who have childcare obligations that require flexibility? Yes, maybe LIPA might be able to reduce its footprint—but that's really not the problem and we all know it. We do know from management studies like NorthStar that there are inefficiencies on the PSEG side of the operation. I don't plan to comment on those issues. The DPS audit did quite well exposing those problems and glitches.

When you get right down to it, LIPA has extraordinary expenses for a public power system. Doing something about the real problems—as defined by LIPA itself—means making waves- Doing something about the big cost drivers takes

strength and chutzpah. For example, LIPA is a nonprofit with an outsized property tax bill. Mr. Falcone and LIPA took a lot of heat in their efforts to reduce this burden, which is still far too high. So, I get not wanting to take on the politicians who represent districts benefitting from property taxes and pilots. No one welcomed being boxed on the ears by Senator Gaughran. But I don't get not taking other reasonable steps like using the IRA and looking to lower power supply costs. We know the power supply portion of the bill usually accounts for the largest share of rate hikes, yet LIPA seems to have no taste for actually producing the power its ratepayers consume. I do applaud the staff for the recently announced money saving power supply agreement.

I want to say something about the difficulty of participating in this hearing and making a list of either budget requests or budget cuts. I urge the Board to reform its budget process. The way things work now, there's a budget presentation and interested ratepayers get to make comments on the budget. There is no process which would allow for meaningful participation. As Mr. Rhodes and Chair Edwards well know, the ratepayers of IOUs like Con Ed have more rights than LIPA customers when it comes to rate increases. In a rate case before the PSC, there is a process for interrogatories. LIPA ratepayers have the right to ask questions but have no right to answers. How's that ratepayer friendly? It's difficult enough for paid DPS LI staff to look at the details of the budget. It's an enormous problem for ratepayers. This needs fixing and the LIPA Board does not need legislation to do so. They have the authority and even mandate to be transparent. I'm sure there is a way of accommodating requests for information and a back and forth between LIPA experts and ratepayers. After all, aren't we really after the same thing?

I have several budget-related recommendations which I have made before that have to do with looking for long term savings. My requests are mostly for studies. Ratepayers need to know the options. It's not sensible to keep one's eyes closed-except when sleeping.

1. Fund a study of public power best practices, examining relevant cost saving measures. LIPA has the highest electric rates of all other similarly sized public power systems. We need to learn from others what works.
2. Fund a study of implementing the recommendations of the Solar Roadmap done by the Nature Conservancy. The 2024 election results make this an urgent matter as offshore wind projects LIPA is counting on may face obstruction or cancellation.
3. Fund a study of the ways LIPA and NYPA could jointly develop renewable energy projects and support electrification. At the NYPAs hearings on its Renewables Strategic Plan earlier today, a similar push for cooperation was made. If LIPA was not actively represented in the conferral process, it should have been.
4. Fund a climate lawsuit. Resiliency costs are growing rapidly. Either ratepayers will foot the bill or those responsible will be forced to step up much like the tobacco companies
5. Pay for these appropriations by reducing the projected increase in management fees for 2025.

I also request a final and full accounting of the Shoreham debt. What remains of the original LILCO/Shoreham related debt? Was any of the LILCO/Shoreham debt rolled over into bonds which are still outstanding? How much additional debt is LIPA carrying because it couldn't adequately support capital spending without borrowing? How much has all this cost ratepayers? This is a question asked by legislators and ratepayers alike and needs to be put to rest.

Thank you.