



Request for Information

Issued March 10, 2015

Regulatory and Ratemaking Models to Support a 21st Century Electricity System in New York State

Purpose: Advanced Energy Economy Institute (AEEI), in cooperation with the Alliance for Clean Energy New York (ACE NY) and the New England Clean Energy Council (NECEC), is issuing this RFI in anticipation of issuing a formal Request for Proposals (RFP) in Q2 2015. The purpose of this RFI is to identify consultants that are qualified to support our ongoing involvement in New York State's *Reforming the Energy Vision* (REV) proceeding.

Background: In the spring of 2014, the New York Public Service Commission initiated its ground-breaking REV proceeding, which seeks to transform the way utilities do business and create a regulatory model that supports significant distributed energy resources (DER) deployment. AEEI, ACE NY and NECEC have been active participants in this proceeding, filing detailed comments to put forward the perspective of the advanced energy community.

Advanced energy companies offer a wide range of products and services covering energy efficiency, demand response, renewable energy, fuel cells, gas turbines, the smart grid, and energy storage, among others. Some companies are technology manufacturers/providers, while others are power project developers, independent power producers, or service providers. They service utility and non-utility customers.

Potential Scope of Services: With this RFI, AEEI is seeking to identify companies that would be able to support our continued involvement in the REV proceeding. In particular, "Track 2" of REV will be getting underway in Q2 2015 when the NY Department of Public Service (NY DPS) releases a Straw Proposal. We anticipate needing some expert support during this phase of the proceeding. Specifically, Track 2 is addressing the detailed regulatory changes needed to implement REV. This includes performance-based regulation, tariff designs and other revenue models, and rate plans. Details on the potential scope of the Track 2 Straw Proposal can be inferred from the [initial list of questions](#) posed by the NY DPS in May 2014. AEEI's responses to selected Track 2 questions, as filed in July 2014, can be found [here](#).

As our involvement in the REV proceeding has progressed, we have identified the following potential topic areas for focus in Track 2. The actual scope of services will be finalized after reviewing the content of the Track 2 Straw Proposal.

- Suitability of performance-based regulation and identification of the appropriate performance metrics (categories, specific metrics and potential values)
- Development of novel fee structures for utility services as an alternative revenue mechanism to cost-of-service based rates

- Appropriate transition plans and approaches for energy efficiency and renewable energy programs.

Our expectation is that the selected consultant will provide general support for our involvement in Track 2, which will mainly consist of filing comments in response to the Straw Proposal, and if initiated by the DPS, working groups on different Track 2 topics. As such we would expect the consultant to help us critique the Straw Proposal, and provide analysis and evaluation in specific areas related to our filings and working group participation.

Schedule and Process: Upon release of the Track 2 Straw Proposal, expected sometime in Q2 2015, AEEI would issue a formal RFP for consultant services. It is possible that the timeframe for that support could be short. Initial Comments may be due within 30 days of the issuance of the Straw Proposal, but that would be followed by a Reply Comment period. This RFI is meant to help shorten the period between issuance of the Straw Proposal and commencement of work by the selected consultant.

Responses to this RFI are due on April 15, 2015. We request that interested firms provide AEEI with the following:

1. A brief review, not to exceed three (3) pages of what you see as the key issues facing New York State in its REV proceeding, with a particular focus on likely Track 2 issues.
2. Brief biographies (maximum of ½ page each) of the key staff members who would support the project
3. Relevant project qualifications (maximum of 4 pages).

Please send all responses by the close of business on April 15, 2015, to Lisa Frantzis and Danny Waggoner at lfrantzis@aee.net and dwaggoner@aee.net. Questions about this RFI can be directed to Lisa Frantzis and Danny Waggoner at the same e-mail addresses.

Funding: AEEI has approximately \$90,000 in foundation funding to support this effort.

