

## 18. Standby Rates

### Alfred University

The issue of standby rates and net metering, as barriers to promoting distributed generation and renewable technologies from wind, solar, and combined power, should be confronted or at least mentioned in the State Energy Plan.

### Harbec Plastics, Inc.

Harbec Plastics, Inc. was happy to see the draft State Energy Plan encourage distributed generation. However, the standby rates, if adopted by Rochester Gas & Electric Corporation, would kill distributed generation.

### American Wind Energy Association (AWEA)

Utilities should exempt on-site renewable powered generation from standby rates.

### The Joint Supporters

Standby rates should not be designed in a way that artificially increases rates. They should reflect the cost of service. The collection of so-called strandable costs in some areas of the State in standby rates is sufficient to render an otherwise economic project uneconomic.

Although the Public Service Commission approved a generic decision in October 2000, at this point considerable work needs to be done to implement reasonable rates for small generation in the real world.

Response: The Public Service Commission issued its generic *Opinion and Order Approving Guidelines for the Design of Standby Service Rates, No. 01-4*, in Case 99-E-1470, dated October 26, 2001. These guidelines specify the parameters of cost-based rates for standby delivery service, in compliance with which all utilities are required to file new standby rates. Rates previously filed by Rochester Gas & Electric Corporation prior to the release of this order have been cancelled. In compliance with this order, all standby rates currently in effect or previously filed by the utilities will be replaced with new rates during 2002.

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*Note: Comments are grouped according to similarity of contents, and a response may address more than one comment. In those cases, the response is placed at the end of the series of comments. Long series of comments will include a page reference to the response.*