Alliance for Climate Transition ("ACT") and Solar Energy Industries Association ("SEIA")
Docket No. 26-08-05
Response to Interrogatory CAE-46
Date of Submission: August 28, 2026
People Responsible: Tim Snyder (ACT) & Ruthie DeWit (SEIA)

Question:

CAE-46 Describe how a retail TOU tariff should prevent duplicative compensation for the same grid service if a standalone FTM storage resource is eligible to receive compensation from multiple markets.

Response:

Duplicative compensation occurs when a resource is paid twice for the same service. It does not occur when a resource is paid by two programs for two services, even where a single discharge event produces both. A battery discharging during a regional peak may receive an ISO New England energy payment because its output is valuable to the wholesale market, and may at the same time reduce loading on a constrained distribution substation. Those are services provided to different parts of the electric system. A tariff should therefore prevent duplicative payment for the same underlying service rather than restricting a resource's eligibility to participate in more than one market.

The principle could be given effect through the definition of the tariff's rate components. Each component could be identified with the service it compensates and resources would be excluded from that service if they were already compensated through an ISO New England market or another state program. An export rate reflecting avoided distribution capacity cost would not not be eligible to a resource that is participating in the ISO-NE capacity market. Components defined this way address duplication at the point the rate is established.

This approach is consistent with existing practice. Order No. 2222 permits distributed energy resources to participate in wholesale markets while allowing narrowly tailored restrictions to prevent duplicative compensation for the same service.[1] New York's Value of Distributed Energy Resources framework separates wholesale energy and capacity values from distribution-specific components and allows resources to realize energy and capacity either through the retail tariff or through the wholesale market but not both, which demonstrates that compensation from multiple sources can be appropriate where

[1] *See* Federal Energy Regulatory Commission, Order No. 2222, *Participation of Distributed Energy Resource Aggregations in Markets Operated by Regional Transmission Organizations and Independent System Operators*, 172 FERC ¶ 61,247 (2020)

each payment reflects a distinct service, and are severable and stackable so long as the same service is not compensated twice.[2]

[2] New York State Energy Research and Development Authority, *Value of Distributed Energy Resources*, https://www.nyserda.ny.gov/All-Programs/NY-Sun/Contractors/Value-of-Distributed-Energy-Resources.