

Christopher Kelly Senior Vice President Electric Process & Engineering

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Tammy Mitchell Deputy Director - Electric NY Department of Public Service Three Empire State Plaza Albany, New York 12223-1350

Dear Tammy,

I received your request for National Grid to abandon the Distribution Automation pilot currently ongoing in the Syracuse region. I have directed my staff to cease the operation of the automated scheme in order to provide distributed generation developers the opportunity to seek interconnection on the local distribution system immediately. Specifically Sun Edison and other developers will not incur any additional costs for upgrades associated with the DA pilot, outside of the actual interconnection costs.

We do plan to continue with the use of the enhanced switching capability provided by the pilot. We currently have remote monitoring and control of 23 field devices that allow our Central Regional Control Center to implement decisions that reduce the impacts of customer outages. The enhanced switching capability does not impact the interconnection of DER's.

The pilot provided several lessons learned as we move forward in distribution automation. The key lessons are:

- When evaluating distribution automation providers, it is beneficial to have open source logic. National Grid will move forward with Non-proprietary systems with full visibility of logic for troubleshooting and deployment. This will also allow us to customize for future DER that are added to the system.
- The Central Pilot was a Peer-Peer system that utilized distributed intelligence (Automation Logic is in each control). This is not the direction National Grid will be utilizing. Future schemes will rely on centralized intelligence topography where automation logic will reside in the Data Concentrator. This will allow for fewer radios as well as flexibility as we look into Advanced Distribution Management System (ADMS).
- Distribution Automation communication latency is an important design factor, and the automation logic and equipment configurations need to be considered around any latency constrains.

I appreciate the collaboration provided by DPS Staff concerning the effort to interconnect DG on the National Grid distribution system. I believe our monthly discussions are beginning to provide improvements to achieving our New York's energy objectives.

Sincerely,

Chris Kelly