

PSC NO. 220 ELECTRICITY

LEAF: 220.4

NIAGARA MOHAWK POWER CORPORATION

REVISION: 89INITIAL EFFECTIVE DATE: ~~MARCH 31~~JUNE 1, 2022SUPERSEDING REVISION: 78STAMPS: Issued in Compliance with Order in Case 21-E-0629, et al., 19-E-0735, issued ~~January 20~~April 14, 2022.

GENERAL INFORMATION

40. VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER) (Continued)

iii. Value Stack Environmental Component

The Environmental Component will be calculated by multiplying: i) the sum of the project's total net injections for the billing period (kWh), by ii) the Environmental Component rate established at the time of the project's Eligibility Date. ~~The Environmental Component rate will be the higher of:~~

- ~~a. the Tier 1 Renewable Energy Certificate ("REC") weighted average procurement price from the most recent solicitation as published by NYSERDA; or~~
- ~~b. the Social Cost of Carbon ("SCC"), net of the expected Regional Greenhouse Gas Initiative ("RGGI") allowance values, as calculated by NYS Department of Public Service Staff.~~

The Environmental Component rate will be shown in a statement filed with the PSC and will be fixed for the entire term of the project's 25-year compensation under the VDER Value Stack where such term begins with the project's interconnection date. Customer-Generators have a one-time, irrevocable election at the time of interconnection to opt out of the Environmental Component to preserve the opportunity to participate in voluntary market environmental and sustainability certification programs by retaining the project's RECs. Customer-Generators who do not exercise this opt-out election will transfer all RECs generated by the project to the Company and the Company will be the Responsible Party within the New York Generation Attribute Tracking System ("NYGATS") for all Tier 1 eligible Value Stack projects receiving compensation under the Environmental Component and will receive all associated RECs. This also applies to Tranche 0 Customer-Generators who opt-in to the VDER Value Stack but do not opt-out of the Environmental Component. Customer-Generators who elect to retain their project's RECs will not receive compensation under the Environmental Component and must designate a Responsible Party within the NYGATS.

For CDG projects participating in the CDG Net Crediting Program, the applicable Environmental Component calculated above will be included in the calculation of the Value Stack Credits that will apply to CDG Satellites as specified in Rule 29.4.

For CDG projects participating in the E-SFA Program, the applicable Environmental Component calculated above will be included in the calculation of the Value Stack Credits that will apply to the aggregated E-SFA Program compensation, as specified in Rule 29.5.