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PSC No: 19 - Electricity

Rochester Gas and Electric Corporation

Leaf No. 123

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Issued in compliance with Order in Case Nos. 19 E 0566 and 20 E 0543, dated March 18, 2021. 22-E-0137, dated January 18, 2024.

- 10. Distributed Energy Resource (DER) Interconnection Requirements (Cont'd.)
  - D. Cost Sharing Mechanism (Cont'd)
    - 2. Interim Cost-Sharing Mechanism ("Cost-Sharing 2.0")
      - The Company shall determine if a project is eligible for the Interim Cost Sharing Mechanism as
        defined in Appendix E of the Standardized Interconnection Requirements ("SIR"). The SIR including
        standard applications and contracts, are set forth within Addendum-SIR to this Schedule.
      - SIR deadlines applicable to these applications shall be suspended and the interim cost-sharing mechanism shall apply. If the Qualifying Upgrades are not pre-funded through the interim costsharing mechanism, the already submitted applicants shall remain in the queue and subject to Cost Sharing as described in Rule 10.D.1.
      - 3. The Company shall continue to manage applications received in accordance with the SIR. Interconnection deposit payment deadlines shall be temporarily suspended for applications at locations impacted by a Qualifying Upgrade. Later applications may opt to be treated as Participating Projects if the Qualifying Upgrade is able to accommodate them.
      - To determine the allocation for a Participating Project under the Cost-Sharing 2.0 mechanism, the following steps apply:
        - a. initially determine the capacity contribution; the project's capacity divided by the sum of all projects sharing the line.
        - b. the percentage of distribution line footage contribution, if applicable, is determined by dividing the Participating Project's footage use divided by the first mover project's footage. If the Participating Project uses more than the first mover's footage, then the Participating Project footage percentage will be 100%.
        - the capacity contribution is multiplied by the footage contribution percentage to the final percentage contribution.

## E. Payment

- 1. Payments in full of the estimate shall be made as set forth in the SIR.
  - State Agencies shall not be required to deposit funds into an escrow account pursuant to Appendix
     A-2 of Addendum-SIR to this Schedule.
- Construction of the Qualifying Upgrade shall begin once full payment of the estimate has been made by the Triggering Project, or the Sharing Project(s).
- F. Allocation of Unrecovered Costs

The Company shall reconcile the outstanding upgrade costs, including carrying charges using the weighted pretax cost of capital, on an annual basis, or more frequently, if needed.

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ISSUED BY: Joseph J. SytaJeremy J. Euto, Vice President - Regulatory, Controller and Treasurer, Rochester, New York