

PSC NO: 220 ELECTRICITY

LEAF: 37.2

NIAGARA MOHAWK POWER CORPORATION

REVISION: ~~42~~INITIAL EFFECTIVE DATE: ~~September 28, 2018~~ JUNE 1, 2023SUPERSEDING REVISION: ~~01~~STAMPS:- Issued in Compliance with Order ~~issued July 12, 2018~~ in Cases ~~15-E-0302 & 15-E-0751~~ dated April 20, 2023. ~~18-E-0074~~

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS (Continued)

- 2.0 Clean Energy Standard (“CES”) – The program intended to achieve the New York State Energy Plan goals that 50 percent of electricity generated in New York will be from renewable sources by the year 2030 (the “50 x 30 goal”) and greenhouse gas emissions will be reduced by 40 per cent by the same year. The CES includes, but is not limited to, the following components: (a) program and market structures to encourage consumer-initiated clean energy purchases or investments; (b) obligations on LSEs to financially support new renewable generation resources to serve their retail customers; (c) a requirement for regular Renewable Energy Certificate (“REC”) procurement solicitations; (d) obligations on distribution utilities on behalf of all retail customers to continue to financially support the maintenance of certain existing at-risk small hydro, wind and biomass generation attributes; (e) a program to maximize the value potential of new offshore wind resources; and (f) obligations on LSEs to financially support the preservation of existing at-risk nuclear zero-emissions attributes to serve their retail customers.
- 2.1 Offshore Wind (“OSW”) Standard - The Program adopted by the PSC as a supplementary goal toward the overall objective of the CES, whereby the quantity of electricity supplied by renewable resources and consumed in New York State should include the output of 2.4 GW of new OSW generation facilities by 2030. The primary components of the OSW Standard include: (a) initial procurement solicitations, to be held by NYSERDA, NYPA, and/or LIPA in 2018 and 2019, for ORECs associated with approximately 800 MW of OSW (i.e., Phase 1); and (b) an obligation on LSEs to obtain, on behalf of their retail customers, the ORECs procured in Phase 1 in an amount proportional to their load.
- 2.2 Renewable Energy Standard (“RES”) – The renewable program as set forth in the CES that requires LSEs to procure RECs and ORECs (as defined below) from qualified renewable resources and demonstrate compliance on an annual basis.
- 2.3 Tier 2 Maintenance Renewables – A provision of the RES that provides financial support for at-risk baseline renewable facilities which are demonstrated to be economically unviable and will cease operation.
- 2.4 Renewable Energy Certificate (“REC”) - Certificates that evidence that an entity has procured renewable energy from a renewable resource. “Renewable Energy Credit,” where used in this tariff, has the same meaning.
- 2.5 Offshore Wind Renewable Energy Credits (“ORECs”) – Certificates from qualifying OSW generation facilities, as defined in the OSW Standard that evidence that an entity has procured -renewable OSW energy from a renewable OSW resource.
- 2.6 Zero-Emissions Certificate (“ZEC”) – Certificates from qualifying nuclear generation facilities, as defined in the CES, that evidence that an entity has procured zero-emission energy from a zero-emissions resource.
- 2.7 NYSERDA – The New York State Energy and Research Development Authority
- 2.8 Alternative Compliance Payment (“ACP”) – A payment of a certain dollar amount per MWh which an LSE may submit to NYSERDA in lieu of providing qualified RECs for RES compliance as defined in the CES. The ACP payment alternative obligation for LSEs will cease as of December 31, 2024.

~~2.9 RES Compliance Year — A calendar year beginning January 1st and ending December 31, for which a LSE must demonstrate that it has met the requirements of the RES.~~

~~2.10 ZEC Compliance Year — The twelve months beginning April 1st and ending March 31st, for which a LSE must demonstrate it has met the obligations of the CES ZEC requirement.~~

~~2.11 Backstop Charge — The charge to be paid to NYSERDA funded by distribution customers of the electric distribution companies to ensure NYSERDA has sufficient funds to make timely payments to generators. The Backstop Charge applies to both RES and ZEC programs.~~

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 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: JUNE 1, ~~2021~~ 2023
 STAMPS: Issued in Compliance with Order in Cases 15-E-0302 & 15-E-0751 ~~20-M-0082~~ Issued February 11,
~~2021~~ dated April 20, 2023.

LEAF: 37.3
 REVISION: ~~35~~
 SUPERSEDING REVISION: ~~23~~

GENERAL INFORMATION

1. DEFINITIONS AND ABBREVIATIONS (Continued)

- 2.9 ~~_____~~ RES Compliance Year – A calendar year beginning January 1st and ending December 31, for which a LSE must demonstrate that it has met the requirements of the RES.
- 2.10 ~~_____~~ ZEC Compliance Year – The twelve months beginning April 1st and ending March 31st, for which a LSE must demonstrate it has met the obligations of the CES ZEC requirement.
- 2.11 ~~_____~~ Backstop Charge – The charge to be paid to NYSERDA funded by distribution customers of the electric distribution companies to ensure NYSERDA has sufficient funds to make timely payments to generators. The Backstop Charge applies to both RES and ZEC programs.
- 2.12 “Wireless Carrier” – providers of wireless data or telecommunications services, excluding their suppliers and product manufacturers, and excluding ILECs and Cable System Operators.
- 2.13 “Private Attacher” – Any private or public entity or agency that is not a Telecommunication Service Provider, Wireless Carrier, ILEC, or Cable System Operator.
- 2.14 “Communications Space” – that portion of the usable space on an Electric Distribution Pole in which communication wires and devices have traditionally been located and that can be accessed by a qualified communications worker, qualified in accordance with OSHA 1910.268.
- 2.15 “Electric Supply Space” – that space on an Electric Distribution Pole where Niagara Mohawk has installed or may install energized electric conductors and related electric equipment. This space is the “supply space”, as defined in the National Electric Safety Code (NESC). All work performed within the Electric Supply Space shall be performed by electrical workers qualified in accordance with OSHA 1910.269.
- 2.16 “Pole Top Antenna” – consists of an antenna and mounting hardware attached to the top of an Electric Distribution Pole.
- 2.17 “Integrated Energy Data Resource (IEDR)” – a program initiated by Order issued and effective February 11, 2021 in Case 20-M-0082, Proceeding on Motion of the Commission Regarding Strategic Use of Energy Related Data, to create a platform that enables effective access and use of integrated energy customer data and energy system data to support transformation of the New York electricity system into one that is cleaner, more resilient, and more affordable.
- 2.18 “Long Island Power Authority (LIPA)” – The Long Island Power Authority, a municipal subdivision of the State of New York that owns the electric transmission and electric distribution system serving Long Island and a portion of New York City, or any successor organization thereto.

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LEAF: ~~NO~~-220.10

INITIAL EFFECTIVE DATE: ~~MAY 31, 2023~~ JUNE 1, 2023-2018

REVISION: ~~12~~

SUPERSEDING REVISION: ~~01~~

STAMPS: Issued in Compliance with Order ~~Issued September 14, 2017~~ in Cases ~~15-E-0751-0302 and & 15-E-00820751~~ dated April 20, 2023.

GENERAL INFORMATION

40. VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

40.3.2.3 Environmental Market Value Cost Recovery

40.3.2.3.1 ~~Effective through December 31, 2024, the~~ Environmental Market Value costs will be determined as the product of i) the sum of all VDER Value Stack project's net injections during the recovery month, times ii) the market rate of RECs during the recovery month determined from available published market prices for Tier 1 RECs.

40.3.2.3.2 ~~Effective through December 31, 2024, the~~ Environmental Market Value costs will be recovered from the Company's supply customers on a per kWh basis as part of the ~~Clean Energy Standard Supply ("CESS")~~ lean Energy Standard Supply charge ~~Charge~~, which is filed and reconciled annually, as specified in 46.3.5.

40.3.2.3.3 Effective January 1, 2025, the full cost of the Environmental Component will be recovered from the Company's supply customers on a per kWh basis as part of the CESS Charge, which is filed and reconciled annually, as specified in 46.3.5, and the calculation of the Environmental Market Value costs will no longer be required.

40.3.2.4 Environmental Out of Market Value Cost Recovery

40.3.2.4.1 ~~Effective through December 31, 2024, the~~ Environmental Out of Market Value costs will be determined as the difference between i) the sum of all VDER Value Stack Environmental Components paid to projects and satellites, where applicable, during the recovery month and ii) the Environmental Market Value costs determined in 40.3.2.3 for the recovery month.

40.3.2.4.2 ~~Effective through December 31, 2024, the~~ Environmental Out of Market Value costs will be recovered from all delivery customers, with respective costs allocated to the service classes of the projects and satellites, where applicable, who receive the VDER Value Stack Environmental Component credits, in proportion to the credits received by each service class.

40.3.2.4.3 ~~Effective through December 31, 2024, the~~ Environmental Out of Market Value costs will be recovered on a per kWh basis for non-demand customers and a per kW basis for demand customers.

~~40.3.2.5 DRV Cost Recovery~~

~~40.3.2.5.1 The DRV Component costs to be recovered will be the sum of all VDER Value Stack DRV Components paid to projects and satellites, where applicable, during the recovery month.~~

~~40.3.2.5.2 The DRV Component costs will be recovered from all delivery customers by service class and voltage delivery level, with the DRV Component costs that were provided to sub-transmission and transmission voltage delivery projects and satellites, where applicable, being allocated using the most recent transmission demand allocator (i.e., single coincident peak) from the Company's most current ECOS, and the DRV Component costs that were provided to primary and secondary voltage delivery projects and satellites, where applicable, being allocated using the most recent distribution demand allocator (i.e., non-coincident peak) from the Company's most current ECOS.~~

~~40.3.2.5.3 The DRV Component costs will be recovered on a per kWh basis for non-demand customers and a per kW basis for demand customers.~~

PSC NO. 220 ELECTRICITY LEAF: 220.10.1
NIAGARA MOHAWK POWER CORPORATION REVISION: 0
INITIAL EFFECTIVE DATE: JUNE 1, 2023 SUPERSEDING REVISION:
STAMPS: Issued in Compliance with Order in Cases 15-E-0302 & 15-E-0751 dated April 20, 2023.

GENERAL INFORMATION

40. VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

40.3.2.4.4 Effective January 1, 2025, the full cost of the Environmental Component will be recovered from the Company's supply customers on a per kWh basis as part of the CESS charge, which is filed and reconciled annually, as specified in 46.3.5, and the calculation of the Environmental Out of Market Value costs will no longer be required. At such time any portion of the Environmental Value Component costs will no longer be recovered through the VDER Value Stack Cost Recovery surcharge.

40.3.2.5 DRV Cost Recovery

40.3.2.5.1 The DRV Component costs to be recovered will be the sum of all VDER Value Stack DRV Components paid to projects and satellites, where applicable, during the recovery month.

40.3.2.5.2 The DRV Component costs will be recovered from all delivery customers by service class and voltage delivery level, with the DRV Component costs that were provided to sub-transmission and transmission voltage delivery projects and satellites, where applicable, being allocated using the most recent transmission demand allocator (i.e., single coincident peak) from the Company's most current ECOS, and the DRV Component costs that were provided to primary and secondary voltage delivery projects and satellites, where applicable, being allocated using the most recent distribution demand allocator (i.e., non-coincident peak) from the Company's most current ECOS.

40.3.2.5.3 The DRV Component costs will be recovered on a per kWh basis for non-demand customers and a per kW basis for demand customers.

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INITIAL EFFECTIVE DATE: ~~JULY-JUNE~~ 1, 2023~~4~~
STAMPS: Issued in Compliance with Order in Cases ~~s~~-15-E-0302 & 15-E-0751 dated April 20, 2023~~21-E-0168~~ Issued June 21, 2021.

LEAF: 229.3
REVISION: ~~109~~
SUPERSEDING REVISION: ~~98~~

GENERAL INFORMATION

46. SUPPLY SERVICE CHARGES (Continued)

46.3.3.4 The Supply Service Adjustment shall be subject to reconciliation in which the reconciliation amount determined in accordance with Rules 46.3.3.1 and 46.3.3.2 shall be compared to the actual revenue billed by the Supply Service Adjustment factor for the applicable month. Any reconciliation balance, whether positive or negative, shall be included in the adjustment of subsequent periods pursuant to Rule 46.3.4.

46.3.4 Supply Reconciliation Balance – The charges or credits associated with -supply reconciliations for Mass Market customers that are delayed from the typical two-month lag.

46.3.4.1 Generally, reconciliations will be performed on a two-month lag basis. Any delay in these reconciliations will be implemented through the Supply Reconciliation Balance. Any subsequent reconciliations of the Supply Reconciliation Balance caused by sales variances will occur within the reconciliation of the New Hedge Adjustment.

46.3.5 Clean Energy Standard Supply (“CESS”) Charge - All customers receiving supply service in accordance with Rule 46.1 will be subject to the Clean Energy Standard Supply (“CESS”) charge. The CESS will consist of:

46.3.5.1 Renewable Energy Standard (“RES”) charge – The costs associated with the CES RES program, where the Company procures qualifying RECs and /or remits ACPs as mandated by the Commission in Cases ~~s~~ 15-E-0302 and 15-E-0751. The RES charge also includes the costs associated with the purchase of ORECs as mandated by the OSW Standard in Case 18-E-0071. The RES charge will be calculated by dividing the annual RES costs by the forecast annual kWh sales of all customers receiving Electricity Supply Service from the Company for the applicable period.

46.3.5.2 Any costs associated with purchases of RECs or ACPs that have occurred or are forecasted to occur for the period of January 1, 2017 through March 31, 2018 will be included in the first year RES calculations beginning April 1, 2017. Commencing April 1 2018, the RES charge calculation will be performed on an annual basis for the upcoming April through March period.

46.3.5.3 Zero-Emissions Credit (“ZEC”) Charge – The costs associated with the CES ZEC requirements, where the Company is contractually obligated to purchase ZECs from NYSERDA during the ZEC Compliance Year. The annual ZEC cost, as determined by NYSERDA for the ZEC Compliance Year, will be divided by the forecast annual kWh sales of all customers receiving Electricity Supply Service from the Company for the applicable period.

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 NIAGARA MOHAWK POWER CORPORATION REVISION: ~~56~~
 INITIAL EFFECTIVE DATE: ~~JULY-JUNE 1, 2021~~2023 SUPERSEDING REVISION: ~~45~~
 STAMPS: -Issued in Compliance with Order in Cases 15-E-0302 & 15-E-0751 dated April 20, 2023~~21-E-0168 Issued June 21, 2021.~~

GENERAL INFORMATION

46. SUPPLY SERVICE CHARGES (Continued)

46.3.5 Clean Energy Standard Supply (“CESS”) Charge (Continued)

46.3.5.4 An annual reconciliation will be performed for the prior CESS revenue and CESS costs associated with the RES and ZEC procurements, plus any incremental costs or adjustments. ~~Such -and reconciliation~~ will include the Environmental Market Value Cost Recovery as specified in Rule 40.3.2.3 for the annual reconciliation period until December 31, 2024, after which time the full cost of the Environmental Component, and any unreconciled over/under collection amounts associated with the Out of Market Environmental Component, will be recovered from the Company’s supply customers on a per kWh basis as part of the CESS Charge.

46.3.5.5 The CESS Charge will be comprised of the RES and ZEC charges, plus the CESS reconciliation. The CESS charge will be filed as needed with the Public Service Commission and included as a monthly charge on the supply portion of the customer’s bill.

46.3.5.6. If the Commission approves additional RES and ZEC costs that the Company was not able to forecast at the time of the annual filing, the Company may file updated CESS charges prior to the end of the annual period. In such instance, the RES and ZEC charge calculations above will be calculated using the costs to be collected for remainder of the annual period divided by the forecasted kWh for the remainder of the annual period.

46.4 A monthly Supply Service Charge Statement shall set forth the following rates each month: the forecast Rule 46.1.1 ESCost rates; the forecasted NYISO Capacity Spot Market price utilized in Rule 46.1.3.7; the LTC in Rule 46.2, the ESRM in Rule 46.3, and Rule 46.3.4 Supply Reconciliation Balance. A separate statement will set forth the CESS Charge in Rule 46.3.5. The Supply Service Charge Statement and the CESS Charge Statement will be filed with the Public Service Commission apart from this rate schedule on not less than three (3) business days’ notice before the effective date.

46.5 The Clean Energy Standard Delivery (“CESD”) charge will be applicable to all delivery customers including customers who have load served by NYPA. -The CESD will be a per kWh charge on all energy delivered to the customer and will be set annually using forecasted costs.

46.5.1 Costs to be recovered by the CESD consists of:

46.5.1.1 Tier 2 Renewables – The costs associated with the Clean Energy Standard Tier 2 Maintenance Renewables program, as invoiced by NYSERDA to the Company. The CESD annual rate will be based on a forecast of these costs as determined by NYSERDA and subject to reconciliation annually as provided herein.

46.5.1.2 Backstop Costs – The costs associated with any NYSERDA Backstop charges from the CES and OSW Standard programs. Backstop costs invoiced by NYSERDA to the Company will be collected as part of the CESD charge in either the next annual CESD rate reconciliation, or in an interim adjustment to the CESD rate. Backstop Costs collected as part of an interim adjustment to the CESD rate may be collected over a period from one month to twelve months, at the Company’s discretion, and will be subject to reconciliation as provided herein.