

P.S.C. 220 ELECTRICITY
 NIAGARA MOHAWK POWER CORPORATION
 INITIAL EFFECTIVE DATE: MARCH 1, 2021

STATEMENT TYPE: VDER-CR
 WORKPAPERS FOR STATEMENT NO. 41
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Value Stack Cost Recovery Mechanisms
VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)
Capacity Market Value Cost Recovery - ALTERNATIVE 1
Rule 40.3.2.1

Average Monthly NYISO Spot Auction Capacity Price: \$ 1.40 /kW

Total of Alternative 1 VDER Projects' Net Injections at hour of NYISO Peak: 20,558 kW

Total Alternative 1 Capacity Market Value Cost to Recover: \$ 28,747.50

Cost Allocation

Service Class (with Voltage Delivery Level)	ICP Allocator	
SC1	40.99%	\$11,783.60
SC1C	0.81%	\$232.85
SC2ND	2.54%	\$730.19
SC2D	14.46%	\$4,156.89
SC3-Secondary	13.34%	\$3,834.92
SC3-Primary	5.15%	\$1,480.50
SC3-Subtransmission/Transmission	1.65%	\$474.33
SC3A-Secondary/Primary	2.98%	\$856.68
SC3A-Sub Transmission	3.75%	\$1,078.03
SC3A-Transmission	14.31%	\$4,113.77
Streetlighting	0.02%	\$5.75
Total	100.00%	\$28,747.50

Rate Design by Forecast

Service Class (with Voltage Delivery Level)	Forecast	<u>\$/kWh</u>
SC1	998,102,303	\$0.00001
SC1C	25,261,233	\$0.00001
SC2ND	50,445,349	\$0.00001
		<u>\$/kW</u>
SC2D	1,047,571	\$0.00
SC3-Secondary	824,778	\$0.00
SC3-Primary	341,614	\$0.00
SC3-Subtransmission/Transmission	136,596	\$0.00
SC3A-Secondary/Primary	172,799	\$0.00
SC3A-Sub Transmission	264,402	\$0.00
SC3A-Transmission	968,499	\$0.00
		<u>\$/kWh</u>
Streetlighting	15,119,158	\$0.00000

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Value Stack Cost Recovery Mechanisms
VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)
Capacity Market Value Cost Recovery - ALTERNATIVE 2
Rule 40.3.2.1

Average Monthly NYISO Spot Auction Capacity Price: \$ 1.40 /kW

Total of Alternative 2 VDER Projects' Net Injections at hour of NYISO Peak: 15,774 kW

Total Alternative 2 Capacity Market Value Cost to Recover: \$ 22,057.59

Cost Allocation

Service Class (with Voltage Delivery Level)	1CP Allocator	
SC1	40.99%	\$9,041.41
SC1C	0.81%	\$178.67
SC2ND	2.54%	\$560.26
SC2D	14.46%	\$3,189.53
SC3-Secondary	13.34%	\$2,942.48
SC3-Primary	5.15%	\$1,135.97
SC3-Subtransmission/Transmission	1.65%	\$363.95
SC3A-Secondary/Primary	2.98%	\$657.32
SC3A-Sub Transmission	3.75%	\$827.16
SC3A-Transmission	14.31%	\$3,156.44
Streetlighting	0.02%	\$4.41
Total	100.00%	\$22,057.59

Rate Design by Forecast

Service Class (with Voltage Delivery Level)	Forecast	\$/kWh
SC1	998,102,303	\$0.00001
SC1C	25,261,233	\$0.00001
SC2ND	50,445,349	\$0.00001
		\$/kW
SC2D	1,047,571	\$0.00
SC3-Secondary	824,778	\$0.00
SC3-Primary	341,614	\$0.00
SC3-Subtransmission/Transmission	136,596	\$0.00
SC3A-Secondary/Primary	172,799	\$0.00
SC3A-Sub Transmission	264,402	\$0.00
SC3A-Transmission	968,499	\$0.00
		\$/kWh
Streetlighting	15,119,158	\$0.00000

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Value Stack Cost Recovery Mechanisms
VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

Capacity Market Value Cost Recovery - ALTERNATIVE 3
Rule 40.3.2.1

Average Monthly NYISO Spot Auction Capacity Price: \$ 1.40 /kW

Total of Alternative 3 VDER Projects' Net Injections at hour of NYISO Peak: 20 kW

Total Alternative 3 Capacity Market Value Cost to Recover: \$ 27.97

Cost Allocation

Service Class (with Voltage Delivery Level)	1CP Allocator	
SC1	40.99%	\$11.46
SC1C	0.81%	\$0.23
SC2ND	2.54%	\$0.71
SC2D	14.46%	\$4.04
SC3-Secondary	13.34%	\$3.73
SC3-Primary	5.15%	\$1.44
SC3-Subtransmission/Transmission	1.65%	\$0.46
SC3A-Secondary/Primary	2.98%	\$0.83
SC3A-Sub Transmission	3.75%	\$1.05
SC3A-Transmission	14.31%	\$4.00
Streetlighting	0.02%	\$0.01
Total	100.00%	\$27.97

Rate Design by Forecast

Service Class (with Voltage Delivery Level)	Forecast	\$/kWh
SC1	998,102,303	\$0.00000
SC1C	25,261,233	\$0.00000
SC2ND	50,445,349	\$0.00000
		<u>\$/kW</u>
SC2D	1,047,571	\$0.00
SC3-Secondary	824,778	\$0.00
SC3-Primary	341,614	\$0.00
SC3-Subtransmission/Transmission	136,596	\$0.00
SC3A-Secondary/Primary	172,799	\$0.00
SC3A-Sub Transmission	264,402	\$0.00
SC3A-Transmission	968,499	\$0.00
		<u>\$/kWh</u>
Streetlighting	15,119,158	\$0.00000

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Value Stack Cost Recovery Mechanisms
VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

Capacity Out of Market Value Cost Recovery
Rule 40.3.2.2

VDER Value Stack Capacity Market Value (Rule 40.3.2.1): \$ 50,833.05

Total VDER Value Stack Capacity Component Paid to Projects: \$ 7,642.03

Total Capacity Out of Market Value Cost to Recover: \$ (43,191.02)

Cost Allocation

Service Class (with Voltage Delivery Level)	Allocator	
SC1	33.14%	-\$14,314.94
SC1C	0.00%	\$0.00
SC2ND	28.20%	-\$12,180.31
SC2D	15.68%	-\$6,773.44
SC3	21.41%	-\$9,245.07
SC3A	0.00%	\$0.00
Streetlighting	1.57%	-\$677.26
Total	100.00%	-\$43,191.02

Rate Design by Forecast

Service Class (with Voltage Delivery Level)	Forecast	\$/kWh
SC1	998,102,303	-\$0.00001
SC1C	25,261,233	\$0.00000
SC2ND	50,445,349	-\$0.00024
		<u>\$/kW</u>
SC2D	1,047,571	-\$0.01
SC3	1,302,988	-\$0.01
SC3A	1,405,700	\$0.00
		<u>\$/kWh</u>
Streetlighting	15,119,158	-\$0.00004

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Value Stack Cost Recovery Mechanisms
VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

Environmental Market Value Cost Recovery¹
Rule 40.3.2.3

NYSERDA Tier 1 REC rate in effect for the recovery month²: \$ 0.02163 /kWh

Total of VDER Projects' Net Injections during recovery month: 6,886,544 kWh

Total Environmental Market Value Cost to Recover: \$ 148,937.17

Notes:

1. The Environmental Market Value costs are recovered annually as part of the Clean Energy Standard Supply charge as specified in Rule 46.3.5.
2. NYSERDA's alternative compliance payment (ACP) price, less 10% administrative adder, used as proxy until quarterly auction clears.

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Value Stack Cost Recovery Mechanisms
VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

Environmental Out of Market Value Cost Recovery
Rule 40.3.2.4

VDER Value Stack Environmental Market Value (Rule 40.3.2.3): \$ 148,937.17

Total VDER Value Stack Environmental Component Paid to Projects: \$ 180,709.69

Total Environmental Out of Market Value Cost to Recover: **\$ 31,772.52**

Cost Allocation

Service Class (with Voltage Delivery Level)	Allocator	
SC1	38.49%	\$12,227.79
SC1C	0.00%	\$0.00
SC2ND	12.12%	\$3,849.35
SC2D	14.65%	\$4,656.24
SC3	32.43%	\$10,303.22
SC3A	0.72%	\$227.58
Streetlighting	1.60%	\$508.33
Total	100.00%	\$31,772.52

Rate Design by Forecast

Service Class (with Voltage Delivery Level)	Forecast	<u>\$/kWh</u>
SC1	998,102,303	\$0.00001
SC1C	25,261,233	\$0.00000
SC2ND	50,445,349	\$0.00008
		<u>\$/kW</u>
SC2D	1,047,571	\$0.00
SC3	1,302,988	\$0.01
SC3A	1,405,700	\$0.00
		<u>\$/kWh</u>
Streetlighting	15,119,158	\$0.00003

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Value Stack Cost Recovery Mechanisms
VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

DRV Cost Recovery
Rule 40.3.2.5

Total VDER Value Stack DRV Component Paid to **Secondary/Primary** Projects: \$ 16,754.78

Secondary/Primary Cost Allocation

Service Class (with Voltage Delivery Level)	NCP Allocator	
SC1	56.65%	\$9,491.58
SC1C	1.18%	\$197.71
SC2ND	3.30%	\$552.91
SC2D	18.62%	\$3,119.74
SC3-Secondary	18.51%	\$3,101.31
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$123.99
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$167.55
Total	100.00%	\$16,754.78

Secondary/Primary Rate Design by Forecast

Service Class (with Voltage Delivery Level)	Forecast	\$/kWh
SC1	998,102,303	\$0.00001
SC1C	25,261,233	\$0.00001
SC2ND	50,445,349	\$0.00001
		\$/kW
SC2D	1,047,571	\$0.00
SC3-Secondary	824,778	\$0.00
SC3-Primary	341,614	\$0.00
SC3-Subtransmission/Transmission	136,596	\$0.00
SC3A-Secondary/Primary	172,799	\$0.00
SC3A-Sub Transmission	264,402	\$0.00
SC3A-Transmission	968,499	\$0.00
		\$/kWh
Streetlighting	15,119,158	\$0.00001

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Value Stack Cost Recovery Mechanisms
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DRV Cost Recovery
Rule 40.3.2.5

Total VDER Value Stack DRV Component Paid to **Subtransmission/Transmission** Projects: \$ -

Subtransmission/Transmission Cost Allocation

Service Class (with Voltage Delivery Level)	<u>ICP Allocator</u>	
SC1	40.99%	\$0.00
SC1C	0.81%	\$0.00
SC2ND	2.54%	\$0.00
SC2D	14.46%	\$0.00
SC3-Secondary	13.34%	\$0.00
SC3-Primary	5.15%	\$0.00
SC3-Subtransmission/Transmission	1.65%	\$0.00
SC3A-Secondary/Primary	2.98%	\$0.00
SC3A-Sub Transmission	3.75%	\$0.00
SC3A-Transmission	14.31%	\$0.00
Streetlighting	0.02%	\$0.00
Total	100.00%	\$0.00

Subtransmission/Transmission Rate Design by Forecast

Service Class (with Voltage Delivery Level)	<u>Forecast</u>	<u>\$/kWh</u>
SC1	998,102,303	\$0.00000
SC1C	25,261,233	\$0.00000
SC2ND	50,445,349	\$0.00000
		<u>\$/kW</u>
SC2D	1,047,571	\$0.00
SC3-Secondary	824,778	\$0.00
SC3-Primary	341,614	\$0.00
SC3-Subtransmission/Transmission	136,596	\$0.00
SC3A-Secondary/Primary	172,799	\$0.00
SC3A-Sub Transmission	264,402	\$0.00
SC3A-Transmission	968,499	\$0.00
		<u>\$/kWh</u>
Streetlighting	15,119,158	\$0.00000

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Value Stack Cost Recovery Mechanisms
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LSRV Cost Recovery
Rule 40.3.2.6

Total VDER Value Stack LSRV Component Paid to **Secondary/Primary** Projects: \$ 1,834.24

Secondary/Primary Cost Allocation

Service Class (with Voltage Delivery Level)	NCP Allocator	
SC1	56.65%	\$1,039.10
SC1C	1.18%	\$21.64
SC2ND	3.30%	\$60.53
SC2D	18.62%	\$341.54
SC3-Secondary	18.51%	\$339.52
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$13.57
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$18.34
Total	100.00%	\$1,834.24

Secondary/Primary Rate Design by Forecast

Service Class (with Voltage Delivery Level)	Forecast	\$/kWh
SC1	998,102,303	\$0.00000
SC1C	25,261,233	\$0.00000
SC2ND	50,445,349	\$0.00000
		\$/kW
SC2D	1,047,571	\$0.00
SC3-Secondary	824,778	\$0.00
SC3-Primary	341,614	\$0.00
SC3-Subtransmission/Transmission	136,596	\$0.00
SC3A-Secondary/Primary	172,799	\$0.00
SC3A-Sub Transmission	264,402	\$0.00
SC3A-Transmission	968,499	\$0.00
		\$/kWh
Streetlighting	15,119,158	\$0.00000

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Value Stack Cost Recovery Mechanisms
VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

LSRV Cost Recovery
Rule 40.3.2.6

Total VDER Value Stack LSRV Component Paid to **Subtransmission/Transmission** Projects: \$ -

Subtransmission/Transmission Cost Allocation

Service Class (with Voltage Delivery Level)	1CP Allocator	
SC1	40.99%	\$0.00
SC1C	0.81%	\$0.00
SC2ND	2.54%	\$0.00
SC2D	14.46%	\$0.00
SC3-Secondary	13.34%	\$0.00
SC3-Primary	5.15%	\$0.00
SC3-Subtransmission/Transmission	1.65%	\$0.00
SC3A-Secondary/Primary	2.98%	\$0.00
SC3A-Sub Transmission	3.75%	\$0.00
SC3A-Transmission	14.31%	\$0.00
Streetlighting	0.02%	\$0.00
Total	100.00%	\$0.00

Subtransmission/Transmission Rate Design by Forecast

Service Class (with Voltage Delivery Level)	Forecast	\$/kWh
SC1	998,102,303	\$0.00000
SC1C	25,261,233	\$0.00000
SC2ND	50,445,349	\$0.00000
		<u>\$/kW</u>
SC2D	1,047,571	\$0.00
SC3-Secondary	824,778	\$0.00
SC3-Primary	341,614	\$0.00
SC3-Subtransmission/Transmission	136,596	\$0.00
SC3A-Secondary/Primary	172,799	\$0.00
SC3A-Sub Transmission	264,402	\$0.00
SC3A-Transmission	968,499	\$0.00
		<u>\$/kWh</u>
Streetlighting	15,119,158	\$0.00000

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Value Stack Cost Recovery Mechanisms
VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

MTC Cost Recovery
Rule 40.3.2.7

Total VDER Value Stack MTC Component Paid to Projects: \$ 17,924.01

Cost Allocation

Service Class (with Voltage Delivery Level)	<u>Allocator</u>	
SC1	92.43%	\$16,567.82
SC1C	0.00%	\$0.00
SC2ND	7.57%	\$1,356.19
Total	100.00%	\$17,924.01

Rate Design by Forecast

Service Class (with Voltage Delivery Level)	<u>Forecast</u>	<u>\$/kWh</u>
SC1	998,102,303	\$0.00002
SC1C	25,261,233	\$0.00000
SC2ND	50,445,349	\$0.00003

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Value Stack Cost Recovery Mechanisms
VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

Community Credit Cost Recovery
Rule 40.3.2.7

Total VDER Value Stack Community Credit Component Paid to Projects: \$ 98,319.01

Cost Allocation

Service Class (with Voltage Delivery Level)	Allocator	
SC1	47.38%	\$46,582.66
SC1C	0.00%	\$0.00
SC2ND	5.11%	\$5,023.63
SC2D	16.99%	\$16,707.02
SC3-Secondary	18.26%	\$17,951.04
SC3-Primary	11.02%	\$10,831.95
SC3-Subtransmission/Transmission	0.16%	\$160.17
SC3A-Secondary/Primary	0.00%	\$0.00
SC3A-Sub Transmission	1.08%	\$1,062.54
SC3A-Transmission	0.00%	\$0.00
Total	100.00%	\$98,319.01

Rate Design by Forecast

Service Class (with Voltage Delivery Level)	Forecast	\$/kWh
SC1	998,102,303	\$0.00005
SC1C	25,261,233	\$0.00000
SC2ND	50,445,349	\$0.00010
		<u>\$/kW</u>
SC2D	1,047,571	\$0.02
SC3-Secondary	824,778	\$0.02
SC3-Primary	341,614	\$0.03
SC3-Subtransmission/Transmission	136,596	\$0.00
SC3A-Secondary/Primary	172,799	\$0.00
SC3A-Sub Transmission	264,402	\$0.00
SC3A-Transmission	968,499	\$0.00