

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION

LEAF: 229.3
REVISION: 876

INITIAL EFFECTIVE DATE: ~~JULY~~MAY 1, 20~~21~~19

SUPERSEDING REVISION: ~~765~~

~~STAMPS: Issued in Compliance with Order issued April 24, 2019 in Case 17-E-0238~~

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 ~~Tier 1~~ RECs and /or remits ACPs as mandated by the ~~Commission orders CES Order~~ in Case 15-E-0302. The RES charge also includes the costs associated with the purchase of ORECs as mandated by the OSW Standard in Case 18-E-0071, ~~and the purchase of Tier 2 RECs as mandated by the “Order Adopting Modifications to the Clean Energy Standard: in Case 15-E-0302. The RES charge will be calculated by dividing the annual RES costs The annual Tier 1 RECRES cost will be calculated using available RES Compliance Year Tier 1 REC prices (\$/MWh) times the Company’s RES Compliance Year Tier 1 REC obligation percentage(s) times the Local Transmission Efficiency Factors for Secondary service Rule 39.18; plus the annual OREC and Tier 2 REC costs, as determined by NYSDERDA, for the applicable RES Compliance Year, divided 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 NYSDERDA during the ZEC Compliance Year. The annual ZEC cost, as determined by NYSDERDA 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: ~~432~~

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SUPERSEDING

REVISION: ~~321~~

~~STAMPS: Issued in Compliance with Order Issued July 12, 2018 in Case 18-E-0071~~

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 and will include the Environmental Market Value Cost Recovery as specified in Rule 40.3.2.3 for the annual reconciliation period.

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

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 ~~annual~~ 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.

46.5.1.3 An annual reconciliation will be performed of the prior year's CESD revenue and costs including any incremental costs or adjustments.

46.5.1.4 The CESD annual charge will be calculated as the sum of the forecast Tier 2 Maintenance Renewables costs, plus any uncollected Backstop costs invoiced by NYSERDA to the Company, plus the annual reconciliation of prior CESD revenue and costs divided by the forecast delivery kWhs (including NYPA load).

46.5.1.5 The CESD charge will be filed annually, or on an interim basis per Rule 46.5.1.2, with the Public Service Commission and a monthly charge will be included in the delivery portion of a customer's bill.