Received: 09/01/2020

GENERAL INFORMATION

COMMUNITY DISTRIBUTED GENERATION ("CDG") (Continued)

29.4 CDG Net Crediting Program

Customers who meet the requirements specified in Rule No. 29 and Rule No. 40 for a CDG Host or CDG Satellite may participate in the CDG Net Crediting Program as specified in this Rule 29.4. The CDG Net Crediting Program provides for an alternate payment and crediting methodology for CDG Hosts and CDG Satellites eliminating a separate participation payment from the CDG Satellite to the CDG Host. The Company will facilitate crediting the CDG Satellite's bills and pay the CDG Host based on Value Stack credits as calculated in Rule 40 for the CDG project's net injections and as further provided below. The CDG Host and CDG Satellites participating in this program will be subject to any requirements provided in the Company's CDG Net Crediting Manual, as filed with the P.S.C. and which may be modified from time to time, that are not specified below.

29.4.1 Enrollment

CDG projects participating in the CDG Net Crediting Program must meet all the requirements and follow the provisions provided in Rule 29 and Rule 40 for CDG projects.

The CDG Host must enroll via the Company's enrollment portal and by executing a CDG Sponsor Net Crediting Agreement with the Company at least sixty days prior to commencing participation in the CDG Net Crediting Program, in addition to any other forms and registrations required under Rule 29 and the CDG Net Crediting Manual.

The CDG Host must provide the CDG Savings Rate for the project, which is the percentage of the project's Value Stack Compensation, as determined in accordance with Rule 40, that will be provided to the project's CDG Satellites in aggregate under this program. The CDG Savings Rate must be provided at least 30 days prior to the CDG host account's billing date to which the rate will be applied, via the Company's portal. The CDG Savings Rate may not be less than 5% for any CDG project. The CDG Savings Rate must be the same for all the CDG Satellites of a CDG Project, except for up to one Excluded Anchor Satellite, if applicable, as defined and specified in 29.4.4 below.

The CDG Host will provide its associated CDG Satellite account numbers and the allocation percentage via the Company's online portal, in accordance with Rule 29. The CDG Host may modify its associated CDG Satellite accounts and/or the allocation percentages of its CDG Satellites via the Company's portal no less than thirty days prior to the CDG Host account's billing date to which the modifications apply. The CDG Host may modify its associated CDG Savings Rate following the requirements provided in the CDG Net Crediting Manual.

CDG Hosts may remove the CDG project from the CDG Net Crediting Program with 30-day notice. A CDG project that has previously been removed from the CDG Net Crediting Program may re-enroll following the requirements provided in the CDG Net Crediting Manual.

29.4.2 Determination of CDG Satellite's Net Member Credits

The Company will calculate and apply a Net Member Credit to the participating CDG Satellite's retail bill based on the CDG project's net injections and associated Value Stack Compensation, as determined in accordance with Rule 40, each applicable billing period, with modifications as follows.

Net Member Credits for each CDG Satellite shall be determined as the CDG Savings Rate multiplied by the CDG Satellite's Calculated Credits. The Calculated Credits for each participating CDG Satellite will be determined as the minimum of i) the Total Available Credit and ii) the CDG Satellite's total electric retail bill charges for the applicable billing period. The Total Available Credit shall be determined as the sum of i) the CDG project's Value Stack Compensation for the applicable billing period as calculated in conformance with Rule 40, multiplied by the CDG Satellite's Allocation Percentage; and ii) any retained credits that have been banked or re-allocated to the CDG Satellite's account.

Received: 09/01/2020

GENERAL INFORMATION

COMMUNITY DISTRIBUTED GENERATION ("CDG") (Continued)

Any remainder of the Total Available Credit that has not been used to credit the Satellite's total retail bill charges for the applicable billing period will be retained on the CDG Satellite's account for future use.

Notwithstanding the above, prior to automation of the above crediting mechanisms in the Company's billing system, the crediting calculations and credits provided under CDG Net Crediting Program will be performed manually by the Company using the interim methodology described in the CDG Net Crediting Manual.

29.4.3 Determination of CDG Host Payment

The Company will calculate the CDG Host Payment each month and remit such payment to the CDG Host as a separate payment from the retail bill following distribution of the Net Member Credits to the CDG Satellites for the applicable billing period. The CDG Host will provide the necessary payment information as described in the CDG Net Crediting Manual.

The CDG Host Payment is the sum of the CDG Subscription Fees calculated for each of the project's CDG Satellites in the applicable period less the Utility Administrative Fee to be retained by the Company as further described below. The CDG Subscription Fee will be determined for each CDG Satellite, excluding the Excluded Anchor Satellite, as the Calculated Credits, less the Net Member Credits. The Utility Administration Fee will be determined each billing period as 1% of the sum of the Calculated Credits and will be retained by the Company to support implementation and ongoing costs of the program.

Notwithstanding the above, prior to automation of the above crediting mechanisms in the Company's billing system, the CDG Host Payments will be determined as a result of the interim manual crediting calculation methodology described in the CDG Net Crediting Manual.

29.4.4 Excluded Anchor Satellite

The CDG Host may choose to designate one large CDG Satellite to be an Excluded Anchor Satellite. The Excluded Anchor Satellite may not be a mass market customer, as defined in Rule 36.1.9. The selection of an Excluded Anchor Satellite must be made in accordance with the procedures in the CDG Net Crediting Manual and provided via the Company portal no later than thirty days prior to the CDG Host account's billing date from which the Excluded Anchor Satellite will receive credits. The Excluded Anchor Satellite will not be assigned a CDG Savings Rate. The Excluded Anchor Satellite's Net Member Credit will be equal to the Calculated Credits as calculated in 29.4.2 for the Excluded Anchor Satellite.

29.4.5 Unallocated Credits

In the event the sum of the CDG Satellite's allocation percentages, including the Excluded Anchor Satellite, if applicable, for a CDG project are less than 100.00% in any applicable billing period, the difference will be the Unallocated Satellite Percentage. The Unallocated Satellite Percentage will be multiplied by the CDG project's Value Stack Compensation for the applicable billing period, excluding any Community Credits, as determined in accordance with Rule 40, to determine the Unallocated Credits. The Unallocated Credits will be added to the retained credits on the CDG Host account for future distribution to CDG Satellites.

Received: 09/01/2020

GENERAL INFORMATION

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

40.2.2 Requirements:

All projects compensated under the VDER Value Stack must be equipped with interval meters, in accordance with Rule No. 25 – Meter, capable of recording net hourly consumption and injection. The customer will be responsible for the cost of such interval meters. Alternatively, customers can arrange for their Facility to be separately metered from their consumption with the additional metering cost to be borne by the customer in accordance with Rule No. 25 – Meter.

40.2.2.1 For new RNM and CDG projects, interval metering must be installed by the time of interconnection.

40.2.2.2 For large on-site projects, where an insufficient meter may be present, interval metering should be installed as soon as practicable.

40.2.2.3 Any mass market customer that opts into the VDER Value Stack tariff must have an interval meter installed before VDER Value Stack compensation can be received.

40.2.3 VDER Value Stack Crediting:

In each billing period, the Company shall pay a credit to the project for net hourly injections from the Facility by summing the credits available from the individual VDER Value Stack components as calculated in Rule 40.2.3.1 for projects that are not paired with energy storage and in Rule 40.2.3.2 for Hybrid Facilities.

40.2.3.1 Projects Not Paired with Energy Storage:

i. ~~i.~~ Value Stack Energy Component:

The Value Stack Energy Component is based on the NYISO day-ahead hourly zonal LBMP, inclusive of losses, applied to the project's hourly net injections in the billing period; losses will vary by voltage delivery level as specified in Rule 39.18.1.1.

For CDG projects participating in the CDG Net Crediting Program, the applicable Value Stack Energy 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 not participating in the CDG Net Crediting Program, as specified in Rule 29.4, the Value Stack Energy Component calculated will be determined for each satellite by multiplying the sum of the hourly components calculated above by the satellite's allocation percentage in effect for the billing period as provided by the CDG project sponsor. The Energy Component associated with any percentage remaining when the sum of the satellite percentages is less than 100% ("Unallocated Satellite Percentage") will be banked for later distribution by the CDG project sponsor as specified in Rule 40.2.5.

Received: 09/01/2020

GENERAL INFORMATION

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

c. Alternative 3 – The Value Stack Capacity Component compensation will be the product of: i) the project's net kW injection during the hour of the New York Control Area ("NYCA") peak in the previous year, and ii) the effective Alternative 3 Value Stack Capacity rate. The Alternative 3 Value Stack Capacity rate will be determined as the forecasted LBMCP ($/kW-mo.) rate times the sum of one plus the Unforced Capacity Requirement of the NYISO.

A Customer-Generator with an intermittent technology is eligible to elect Alternative 3 and must make such election by May 1 to be eligible to receive the rate beginning June 1 of that year. A Customer-Generator with intermittent technology electing Alternative 3 after May 1 will be compensated under Alternative 1 until April 30 of the following calendar year.

A request for a change in Value Stack Capacity Component compensation submitted by a Customer-Generator with intermittent generation is subject to the following limitations:

i. A project compensated under Alternative 1 may switch to compensation under Alternative 2 or to Alternative 3;
ii. A project compensated under Alternative 2 may switch to Alternative 3;
iii. A project compensated under Alternative 2 cannot switch to Alternative 1; and
iv. A project compensated under Alternative 3 cannot switch to Alternative 1 or Alternative 2.

For CDG projects participating in the CDG Net Crediting Program, the applicable Value Stack Capacity 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 not participating in the CDG Net Crediting Program, as specified in Rule 29.4, the Value Stack Capacity Component will be determined for each satellite by multiplying the applicable capacity components calculated in 40.2.3.1 ii. a, b, or c above by the satellite's allocation percentage in effect for the billing period as provided by the CDG project sponsor. The Value Stack Capacity Component associated with any Unallocated Satellite Percentage will be banked for later distribution by the CDG project sponsor as specified in Rule 40.2.5.

Received: 09/01/2020

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 not participating in the CDG Net Crediting Program, as specified in Rule 29.4, the Environmental Component will be determined for each satellite by multiplying the applicable Environmental Component calculated above by the satellite's allocation percentage in effect for the billing period as provided by the CDG project sponsor. The Environmental Component associated with any Unallocated Satellite Percentage will be banked for later distribution by the CDG project sponsor as specified in Rule 40.2.5.

Projects eligible under Rule 40.2.1.1.2 are not eligible to receive the Environmental Component compensation.

The Environmental Component is available to Customer-Generators with projects that meet the definition of renewable energy systems in PSL §66-p, unless the resource was eligible before August 13, 2019. Customer-Generators with an Eligibility Date prior to August 13, 2019 are eligible for the Environmental Component if the project is eligible to participate in the CES to receive Tier 1 RECs, according to the CES rules.

Received: 09/01/2020

GENERAL INFORMATION

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

iv. Value Stack Demand Reduction Value ("DRV") Component:

Projects Eligible for Value Stack on or before July 26, 2018:

The Demand Reduction Value ("DRV") Component will be calculated by multiplying: i) the average of the project's net kW injections for each of the Company's ten (10) highest peak hours during the preceding calendar year, by ii) the project's applicable DRV Component rate ($/kW-mo.) in effect during the billing period. If an interval meter was not in service for the project at the time of the Company's ten (10) highest peak hours during the preceding calendar year, then the Company will estimate the project's net injections for those hours.

The DRV Component rate will be fixed for the project for three (3) years from the interconnection date, using the DRV Component rate established at the time of the project's Eligibility Date. The project's DRV rate will be adjusted by the Company after three (3) years from the interconnection date to the DRV in effect at that time.

The DRV Component is not applicable to customers who receive the Value Stack MTC Component, which include CDG satellites that are mass market customers and mass market customers who opt into the Value Stack per Rule 40.2.1.8.

Projects may elect to participation in the Company's Commercial System Relief Program ("CSRP") as an alternative to DRV and LSRV compensation. This is a one-time, irrevocable decision that may be made at any point during a project's Value Stack compensation term, in accordance with Rule 62.1. Customer-Generators that chose this election, shall not receive DRV or LSRV compensation for the remainder of their project term.

For CDG projects participating in the CDG Net Crediting Program, the DRV Component calculated above will only apply to non-mass market satellites and 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~~,~~ not participating in the CDG Net Crediting Program, as specified in Rule 29.4 the DRV Component will only apply to non-mass market satellites and will be determined for each non-mass market satellite by multiplying the applicable DRV Component rate calculated above by the satellite's allocation percentage in effect for the billing period as provided by the CDG project sponsor. The DRV Component associated with any Unallocated Satellite Percentage will be banked for later distribution by the CDG project sponsor as specified in Rule 40.2.5.

Received: 09/01/2020

GENERAL INFORMATION

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

Projects Eligible for Value Stack after July 26, 2018:

The DRV Component will be calculated by multiplying: i) the project's net injections (kWh) each bill period during the hours of 2:00 pm to 7:00 pm weekdays, non-holidays, between June 24 and September 15 inclusive, by ii) the project's hourly DRV Component rate ($/kWh). The project's hourly DRV Component rate will be determined by multiplying the Company's $/kW-year DRV Component rate in effect at the time of the project's Eligibility Date by ten (10) years and then dividing the result by the total number of eligible hours in the ten-year eligibility period for the project. This hourly DRV component rate will be fixed for the first ten (10) years of the project's operation. At the end of the ten-year period, the hourly DRV Component rate ($/kWh) will be the DRV rate and hours in effect during the billing period.

Projects may elect to participation in the Company's CSRP as an alternative to DRV and LSRV compensation. This is a one-time, irrevocable decision that may be made at any point during a project's Value Stack compensation term, in accordance with Rule 62.1. Customer-Generators that chose this election, shall not receive DRV or LSRV compensation for the remainder of their project term.

For CDG projects participating in the CDG Net Crediting Program, the applicable DRV Component calculated above will be included in the calculation of the Value Stack Credits that will apply to all CDG Satellites, as specified in Rule 29.4., except for CDG Satellites of CDG projects that opt into the Company's CSRP.

For CDG projects not participating in the CDG Net Crediting Program, as specified in Rule 29.4, t~~T~~he DRV Component will apply to all CDG Satellites, with the exception of CDG Satellites of projects that opt into the Company's CSRP. The DRV Component associated with any Unallocated Satellite Percentage will be banked for later distribution by the CDG project sponsor as specified in Rule 40.2.5.

Received: 09/01/2020

GENERAL INFORMATION

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

v. Value Stack Locational System Relief Value ("LSRV") Component:

The LSRV Component will only be available to projects located in LSRV areas at the time of their Eligibility Date. Eligible LSRV areas that have been identified by the Company will be available on the Company's website and displayed on a statement filed with the PSC. If a project previously included in an LSRV area's MW capacity limit is canceled or abandoned, that project's proposed capacity shall be returned to the LSRV area's MW capacity limit and the revised remaining capacity will be displayed on a statement filed with the PSC.

Existing Customer-Generators located in an LSRV area that opt into the Value Stack will not receive the LSRV Component.

Projects may elect to participation in the Company's CSRP as an alternative to DRV and LSRV compensation. This is a one-time, irrevocable decision that may be made at any point during a project's Value Stack compensation term, in accordance with Rule 62.1. Customer-Generators that chose this election, shall not receive DRV or LSRV compensation for the remainder of their project term.

Projects Eligible for Value Stack on or before July 26, 2018:

The LSRV Component will be calculated by multiplying: i) the average of the project's net kW injections for each of the Company's ten (10) highest peak hours during the preceding calendar year, by ii) the project's LSRV Component rate ($/kW-mo.) in effect during the billing period. If an interval meter was not in service for the project at the time of the Company's ten (10) highest peak hours during the preceding calendar year, the Company will estimate the project's net injections for those hours.

The LSRV Component rate will be fixed for the first ten (10) years from the project's interconnection date and the project's applicable LSRV Component rate will be the LSRV rate ($/kW-mo.) as filed by the Company in a statement with the PSC, in effect at the time of the project's Eligibility Date.

For CDG projects participating in the CDG Net Crediting Program, the LSRV 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 eligible CDG projects not participating in the CDG Net Crediting Model, as specified in Rule 29.4, the LSRV Component will be determined for each satellite by multiplying the project's applicable LSRV Component rate ($/kW-mo.) by the satellite's allocation percentage in effect for the billing period as provided by the CDG project sponsor. The LSRV Component associated with any Unallocated Satellite Percentage will be banked for later distribution by the CDG project sponsor as specified in Rule 40.2.5

Received: 09/01/2020

GENERAL INFORMATION

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

Projects Eligible for Value Stack after July 26, 2018:

Projects eligible for the LSRV Component will be compensated for responding to Company-called events ("LSRV Call Events"). The project's LSRV Component will be the sum of all LSRV Call Event calculations, as specified below, during the billing period. In the event that an LSRV Call Event spans two billing periods, the project will only be compensated once for the LSRV Call Event.

The compensation for each LSRV Call Event will be determined by: i) the project's lowest hourly net kW injection during the LSRV Call Event; multiplied by ii) the project's applicable LSRV Call Component rate as set out below.

The project's applicable LSRV Call Component rate ($/kW) will be the project's applicable LSRV Component rate ($/kW-mo.), as specified below, multiplied by 12 (months) and divided by 10 (annual minimum calls per year).

The project's applicable LSRV Component rate ($/kW-mo.) will be determined as the LSRV rate ($/kW-mo.), as filed by the Company in a statement with the PSC in effect at the time of the project's Eligibility Date and will be fixed for the first ten (10) years from the project's interconnection date.

For CDG projects participating in the CDG Net Crediting Program, the LSRV 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 eligible CDG projects~~,~~ not participating in the CDG Net Crediting Program as specified in Rule 29.4, the LSRV Component will be determined for each satellite by multiplying the project's applicable LSRV Component rate ($/kW-mo.) by the satellite's allocation percentage in effect for the billing period as provided by the CDG project sponsor. The LSRV Component associated with any Unallocated Satellite Percentage will be banked for later distribution by the CDG project sponsor as specified in Rule 40.2.5.

LSRV Call Events:

i. The Company will call LSRV Call Events at least 21 hours in advance of the start of the LSRV Call Event.
ii. Each LSRV Call Event will be between one (1) hour and four (4) hours in duration.
iii. LSRV Call Events will generally be within the hours of 2:00 pm to 7:00 pm on non-holiday weekdays between June 24 and September 15 inclusive. The Company reserves the right to call LSRV Call Events outside of those hours if system needs warrant.
iv. The Company reserves the right to combine LSRV areas into up to four (4) LSRV groups with different four (4)-hour call windows, each of which may be called independently based on sub-system load conditions.
v. The Company will call a minimum of ten (10) LSRV Call Events per year for each LSRV area or group but may issue more depending on system needs. Compensation level for all calls will remain at the same level regardless of frequency.

Received: 09/01/2020

GENERAL INFORMATION

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

vi. Value Stack Market Transition Credit ("MTC") Component:

The MTC Component will only apply to CDG projects with an Eligibility Date on or before July 26, 2018 which also meet the further requirements specified herein.

The MTC Component will apply only to a CDG project's mass market satellites and those mass market customers who opt into the VDER Value Stack compensation per Rule 40.2.1.8. Projects eligible under Rules 40.2.1.1.1 and 40.2.1.1.2 are not eligible to receive the MTC Component compensation. The MTC Component will be calculated by multiplying: i) the sum of the project's total net injections for the billing period (kWh), and ii) the MTC Component rate applicable to the project's assigned Tranche and applicable service class.

For CDG projects participating in the CDG Net Crediting Program, the MTC 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 not participating in the CDG Net Crediting Program, as specified in Rule 29.4, the MTC Component will be calculated for each individual mass market satellite customer by multiplying: i) the sum of the project's total net injections for the billing period (kWh), ii) the MTC Component rate applicable to the project's assigned Tranche and satellite's service class, and iii) the satellite's allocation percentage in effect for the billing period as provided by the CDG project sponsor. The CDG project sponsor will not be allowed to bank any MTC components related to Unallocated Satellite Percentages. CDG projects receiving MTC compensation cannot opt-into receiving the Community Credit component, as described below.

The MTC Component will be fixed for the project's 25-year compensation term and will be shown in a statement filed with the PSC.

Any high-capacity-factor resource (*i.e.*, fuel cell) CDG project receiving Value Stack compensation with an Eligibility Date on or after August 13, 2019 shall receive an adjusted MTC Component rate determined as the effective MTC Component rate multiplied by an adjustment factor of 0.16. Any high-capacity-factor resource (*i.e.*, fuel cell) CDG project receiving Value Stack compensation with an Eligibility Date before August 13, 2019 shall receive the unadjusted MTC Component.

Received: 09/01/2020

GENERAL INFORMATION

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

vii. Value Stack Community Credit Component:

The Community Credit Component will apply to non-mass market satellites (as defined in Rule 40.1) in CDG projects with an Eligibility Date on or before July 26, 2018 and to all satellites in CDG projects with an Eligibility Date after July 26, 2018 which also meet the further requirements specified herein. Projects eligible under Rules 40.2.1.4, 40.2.1.1.1, and 40.2.1.1.2 are not eligible to receive the Community Credit Component compensation.

The Community Credit Component will be calculated by multiplying: i) the sum of the CDG project's total net injections for the billing period (kWh), and ii) the project's Community Credit Component rate applicable to the project's assigned Community Credit Tranche as filed by the Company in a statement with the PSC. The Community Credit Compensation for non-mass market satellites in CDG projects with an Eligibility Date on or before July 26, 2018 shall begin starting with the first billing cycle for that project in which the entire billing period is after July 31, 2020.

For CDG projects participating in the CDG Net Crediting Program. the Community Credit 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 not participating in the CDG Net Crediting Program, as specified in Rule 29.4, ~~T~~the Community Credit Component will apply to all CDG satellite accounts.
The project's Community Credit rate will be fixed for the first twenty-five (25) years following the project's interconnection date.

The CDG project sponsor (or CDG Host, as described in Rule 29.4) will not be allowed to bank any Community Credit Components related to Unallocated Satellite Percentages.

Any high-capacity-factor resource (*i.e.*, fuel cell) CDG project receiving Value Stack compensation with an Eligibility Date on or after August 13, 2019 shall receive an adjusted Community Credit rate determined as the effective Community Credit rate multiplied by an adjustment factor of 0.16. Any high-capacity-factor resource (*i.e.*, fuel cell) CDG project receiving Value Stack compensation with an Eligibility Date before August 13, 2019 shall receive the unadjusted Community Credit.

Received: 09/01/2020

GENERAL INFORMATION

40. VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER)

40.3 Value of Distributed Energy Resources (VDER) Value Stack Cost Recovery

The VDER Value Stack Cost Recovery provides for recovery of costs incurred by the Company from customers, as approved by the Commission, for compensation provided to eligible projects under the VDER Value Stack Rule 40.2, and the Value Stack Compensation for CDG projects participating in the CDG Net Crediting Program in Rule 29.4~~.~~.

40.3.1 The VDER Value Stack Cost Recovery is applicable to all customers taking service under P.S.C 220 and 214 Electricity, regardless of supplier. The VDER Value Stack Cost Recovery will be applicable to all delivery customers' load, including NYPA load delivered by the Company and economic development-qualifying load in Rule 34, with the exception of the Environmental Market Value Costs which will apply to all supply customers as specified in 40.3.2.3.

40.3.2 The Recovery of the VDER Value Stack Costs will be determined on a VDER Value Stack component basis for applicable service classes using allocation methods as further described below:

40.3.2.1 Capacity Market Value Cost Recovery

40.3.2.1.1 The Capacity Market Value costs will be determined for the recovery month as the product of i) the sum of all VDER Value Stack project's net injections at the hour of the NYISO system peak during the previous calendar year and ii) the average of the NYISO monthly spot auction capacity prices for the previous calendar year.

40.3.2.1.2 The Capacity Market Value costs will be recovered from all delivery customers, allocated by service class based on the most recent transmission demand allocator (*i.e.*, single coincident peak) from the Company's most current embedded cost of service study (ECOS).

40.3.2.1.3 The Capacity Market Value costs will be recovered on a per kWh basis for non-demand customers and a per kW basis for demand customers.

40.3.2.2 Capacity Out of Market Value Cost Recovery

40.3.2.2.1 The Capacity Out of Market Value costs will be determined monthly as the difference between i) the sum of all VDER Value Stack Capacity Components paid to projects and satellites, where applicable, during the recovery month and ii) the Market Value determined in 40.3.2.1 for the recovery month.

40.3.2.2.2 The Capacity 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 Capacity Component credits, in proportion to the credits that projects and satellites, where applicable, of each service class receive.

40.3.2.2.3 The Capacity 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.