

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: AUGUST 28, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 35  
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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: \$ 0.85 /kW

Total of Alternative 1 VDER Projects' Net Injections at hour of NYISO Peak: 10,072 kW

**Total Alternative 1 Capacity Market Value Cost to Recover: \$ 8,595.03**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>1CP Allocator</u></b>	
SC1	40.99%	\$3,523.10
SC1C	0.81%	\$69.62
SC2ND	2.54%	\$218.31
SC2D	14.46%	\$1,242.84
SC3-Secondary	13.34%	\$1,146.58
SC3-Primary	5.15%	\$442.64
SC3-Subtransmission/Transmission	1.65%	\$141.82
SC3A-Secondary/Primary	2.98%	\$256.13
SC3A-Sub Transmission	3.75%	\$322.31
SC3A-Transmission	14.31%	\$1,229.95
Streetlighting	0.02%	\$1.72
<b>Total</b>	<b>100.00%</b>	<b>\$8,595.03</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	932,302,070	\$0.00000
SC1C	24,918,423	\$0.00000
SC2ND	56,755,485	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,230,030	\$0.00
SC3-Secondary	957,849	\$0.00
SC3-Primary	376,951	\$0.00
SC3-Subtransmission/Transmission	147,518	\$0.00
SC3A-Secondary/Primary	267,937	\$0.00
SC3A-Sub Transmission	362,299	\$0.00
SC3A-Transmission	1,209,227	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	15,034,438	\$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: \$ 0.85 /kW

Total of Alternative 2 VDER Projects' Net Injections at hour of NYISO Peak: 3,682 kW

**Total Alternative 2 Capacity Market Value Cost to Recover: \$ 3,141.97**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
SC1	40.99%	\$1,287.89
SC1C	0.81%	\$25.45
SC2ND	2.54%	\$79.81
SC2D	14.46%	\$454.33
SC3-Secondary	13.34%	\$419.14
SC3-Primary	5.15%	\$161.81
SC3-Subtransmission/Transmission	1.65%	\$51.84
SC3A-Secondary/Primary	2.98%	\$93.63
SC3A-Sub Transmission	3.75%	\$117.82
SC3A-Transmission	14.31%	\$449.62
Streetlighting	0.02%	\$0.63
<b>Total</b>	<b>100.00%</b>	<b>\$3,141.97</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	932,302,070	\$0.00000
SC1C	24,918,423	\$0.00000
SC2ND	56,755,485	\$0.00000
		<b>\$/kW</b>
SC2D	1,230,030	\$0.00
SC3-Secondary	957,849	\$0.00
SC3-Primary	376,951	\$0.00
SC3-Subtransmission/Transmission	147,518	\$0.00
SC3A-Secondary/Primary	267,937	\$0.00
SC3A-Sub Transmission	362,299	\$0.00
SC3A-Transmission	1,209,227	\$0.00
		<b>\$/kWh</b>
Streetlighting	15,034,438	\$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: \$ 0.85 /kW

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

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

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
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
<b>Total</b>	<b>100.00%</b>	<b>\$0.00</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	932,302,070	\$0.00000
SC1C	24,918,423	\$0.00000
SC2ND	56,755,485	\$0.00000
		<b>\$/kW</b>
SC2D	1,230,030	\$0.00
SC3-Secondary	957,849	\$0.00
SC3-Primary	376,951	\$0.00
SC3-Subtransmission/Transmission	147,518	\$0.00
SC3A-Secondary/Primary	267,937	\$0.00
SC3A-Sub Transmission	362,299	\$0.00
SC3A-Transmission	1,209,227	\$0.00
		<b>\$/kWh</b>
Streetlighting	15,034,438	\$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): \$ 11,737.00

Total VDER Value Stack Capacity Component Paid to Projects: \$ 126,942.21

**Total Capacity Out of Market Value Cost to Recover: \$ 115,205.21**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	59.77%	\$68,863.74
SC1C	0.04%	\$43.47
SC2ND	14.66%	\$16,892.69
SC2D	7.58%	\$8,733.82
SC3	17.20%	\$19,811.46
SC3A	0.00%	\$0.00
Streetlighting	0.75%	\$860.04
<b>Total</b>	<b>100.00%</b>	<b>\$115,205.21</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	932,302,070	\$0.00007
SC1C	24,918,423	\$0.00000
SC2ND	56,755,485	\$0.00030
		<b>\$/kW</b>
SC2D	1,230,030	\$0.01
SC3	1,482,318	\$0.01
SC3A	1,839,463	\$0.00
		<b>\$/kWh</b>
Streetlighting	15,034,438	\$0.00006

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

**Environmental Market Value Cost Recovery**  
**Rule 40.3.2.3**

NYSERDA Tier 1 REC rate in effect for the recovery month: \$ 0.02209 /kWh

Total of VDER Projects' Net Injections during recovery month: 14,018,952 kWh

**Total Environmental Market Value Cost to Recover: \$ 309,678.65**

The Environmental Market Value costs will be recovered annually as part of the  
Clean Energy Standard Supply charge annual reconconciliation as specified in Rule 46.3.5.

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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): \$ 309,678.65

Total VDER Value Stack Environmental Component Paid to Projects: \$ 374,943.56

**Total Environmental Out of Market Value Cost to Recover:** **\$ 65,264.91**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	57.22%	\$37,344.48
SC1C	0.04%	\$25.00
SC2ND	16.36%	\$10,679.58
SC2D	7.41%	\$4,839.30
SC3	18.19%	\$11,872.57
SC3A	0.00%	\$0.00
Streetlighting	0.77%	\$503.97
<b>Total</b>	<b>100.00%</b>	<b>\$65,264.91</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	932,302,070	\$0.00004
SC1C	24,918,423	\$0.00000
SC2ND	56,755,485	\$0.00019
		<b><u>\$/kW</u></b>
SC2D	1,230,030	\$0.00
SC3	1,482,318	\$0.01
SC3A	1,839,463	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	15,034,438	\$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: \$ 227,627.35

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$128,950.89
SC1C	1.18%	\$2,686.00
SC2ND	3.30%	\$7,511.70
SC2D	18.62%	\$42,384.21
SC3-Secondary	18.51%	\$42,133.82
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$1,684.44
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$2,276.27
<b>Total</b>	<b>100.00%</b>	<b>\$227,627.35</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	932,302,070	\$0.00014
SC1C	24,918,423	\$0.00011
SC2ND	56,755,485	\$0.00013
		<b><u>\$/kW</u></b>
SC2D	1,230,030	\$0.03
SC3-Secondary	957,849	\$0.04
SC3-Primary	376,951	\$0.00
SC3-Subtransmission/Transmission	147,518	\$0.00
SC3A-Secondary/Primary	267,937	\$0.01
SC3A-Sub Transmission	362,299	\$0.00
SC3A-Transmission	1,209,227	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	15,034,438	\$0.00015

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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 **Subtransmission/Transmission** Projects: \$ 752.59

**Subtransmission/Transmission Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
SC1	40.99%	\$308.49
SC1C	0.81%	\$6.10
SC2ND	2.54%	\$19.12
SC2D	14.46%	\$108.82
SC3-Secondary	13.34%	\$100.40
SC3-Primary	5.15%	\$38.76
SC3-Subtransmission/Transmission	1.65%	\$12.42
SC3A-Secondary/Primary	2.98%	\$22.43
SC3A-Sub Transmission	3.75%	\$28.22
SC3A-Transmission	14.31%	\$107.70
Streetlighting	0.02%	\$0.15
<b>Total</b>	<b>100.00%</b>	<b>\$752.59</b>

**Subtransmission/Transmission Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	932,302,070	\$0.00000
SC1C	24,918,423	\$0.00000
SC2ND	56,755,485	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,230,030	\$0.00
SC3-Secondary	957,849	\$0.00
SC3-Primary	376,951	\$0.00
SC3-Subtransmission/Transmission	147,518	\$0.00
SC3A-Secondary/Primary	267,937	\$0.00
SC3A-Sub Transmission	362,299	\$0.00
SC3A-Transmission	1,209,227	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	15,034,438	\$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 **Secondary/Primary** Projects: \$ 865.79

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$490.47
SC1C	1.18%	\$10.22
SC2ND	3.30%	\$28.57
SC2D	18.62%	\$161.21
SC3-Secondary	18.51%	\$160.26
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$6.41
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$8.66
<b>Total</b>	<b>100.00%</b>	<b>\$865.79</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	932,302,070	\$0.00000
SC1C	24,918,423	\$0.00000
SC2ND	56,755,485	\$0.00000
		<b>\$/kW</b>
SC2D	1,230,030	\$0.00
SC3-Secondary	957,849	\$0.00
SC3-Primary	376,951	\$0.00
SC3-Subtransmission/Transmission	147,518	\$0.00
SC3A-Secondary/Primary	267,937	\$0.00
SC3A-Sub Transmission	362,299	\$0.00
SC3A-Transmission	1,209,227	\$0.00
		<b>\$/kWh</b>
Streetlighting	15,034,438	\$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**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
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
<b>Total</b>	<b>100.00%</b>	<b>\$0.00</b>

**Subtransmission/Transmission Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	932,302,070	\$0.00000
SC1C	24,918,423	\$0.00000
SC2ND	56,755,485	\$0.00000
		<b>\$/kW</b>
SC2D	1,230,030	\$0.00
SC3-Secondary	957,849	\$0.00
SC3-Primary	376,951	\$0.00
SC3-Subtransmission/Transmission	147,518	\$0.00
SC3A-Secondary/Primary	267,937	\$0.00
SC3A-Sub Transmission	362,299	\$0.00
SC3A-Transmission	1,209,227	\$0.00
		<b>\$/kWh</b>
Streetlighting	15,034,438	\$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: \$ 59,659.38

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Allocator</u></b>	
SC1	95.04%	\$56,699.96
SC1C	0.00%	\$0.00
SC2ND	4.96%	\$2,959.42
<b>Total</b>	<b>100.00%</b>	<b>\$59,659.38</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	932,302,070	\$0.00006
SC1C	24,918,423	\$0.00000
SC2ND	56,755,485	\$0.00005

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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: \$ 190,835.21

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	70.58%	\$134,698.76
SC1C	0.00%	\$0.00
SC2ND	4.41%	\$8,414.14
SC2D	7.32%	\$13,977.42
SC3-Secondary	11.19%	\$21,360.58
SC3-Primary	5.48%	\$10,457.78
SC3-Subtransmission/Transmission	1.01%	\$1,926.53
SC3A-Secondary/Primary	0.00%	\$0.00
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
<b>Total</b>	<b>100.00%</b>	<b>\$190,835.21</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	932,302,070	\$0.00014
SC1C	24,918,423	\$0.00000
SC2ND	56,755,485	\$0.00015
		<b>\$/kW</b>
SC2D	1,230,030	\$0.01
SC3-Secondary	957,849	\$0.02
SC3-Primary	376,951	\$0.03
SC3-Subtransmission/Transmission	147,518	\$0.01
SC3A-Secondary/Primary	267,937	\$0.00
SC3A-Sub Transmission	362,299	\$0.00
SC3A-Transmission	1,209,227	\$0.00