

PSC NO. 220 ELECTRICITY

NIAGARA MOHAWK POWER CORPORATION

INITIAL EFFECTIVE DATE: ~~JUNE 1, 2019~~ MAY 1, 2020STAMPS: Issued in Compliance with Order in Case 15-E-0751 issued ~~April 18, 2019~~ March 19, 2020.

LEAF: 220.0.3

REVISION: ~~+2~~SUPERSEDING REVISION: ~~01~~

## GENERAL INFORMATION

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

**Expansion of Existing Interconnected Projects Greater Than 2 MW up to 5 MW**

40.2.1.10 Existing, interconnected projects sized at 2 MW or less and currently receiving compensation under NEM, Phase One NEM, or the Value Stack may have the capability, based on their design and location, to expand their capacity up to 5 MW.

40.2.1.10.1 Expansion requests for interconnected projects will be managed per the SIR. Value Stack compensation will be available after the applicable interconnection requirements have been met, in accordance with the SIR.

40.2.1.10.2 If the interconnection project currently receives compensation through NEM or Phase One NEM, the expanded project must accept Value Stack compensation for the entire project.

40.2.1.10.3 A CDG project already receiving Value Stack compensation will receive compensation based on the currently available Tranche for the entire expanded project. The Company will reduce the capacity of the project's original Tranche by the project's original capacity and add that capacity to the currently open Tranche. This methodology applies to both the MTC Tranches and the Community Credit Tranches specified in Rule 40.2.4.

**Expansion or Consolidation of Projects under Development Resulting in an Increase of the Project Capacity to Greater than 2 MW up to 5 MW**

40.2.1.11 A proposed project currently in the Company's interconnection queue may choose to increase that project's capacity to greater than 2 MW, or to consolidate existing projects on neighboring sites, subject to the new capacity of the project being capped at 5 MW in order to qualify for Value Stack compensation. Proposed projects already in the interconnection queue and designed to receive Value Stack compensation may make application for expansion up to 5 MW as of April 1, 2018.

40.2.1.11.1 If the resulting project is a consolidated CDG project no larger than 5 MW, that has a total capacity equal to or less than the original projects, and if the original projects had received the same Tranche assignment, the consolidated CDG project will retain that Tranche assignment.

40.2.1.11.2 If the resulting project is an expansion of a CDG project, or a consolidation of CDG projects with different Tranche assignments or no Tranche assignments, the resulting CDG project will be placed in the currently available Tranche at the time it meets the appropriate milestone for such assignment, or at the time of expansion or consolidation if the resulting CDG project has already met that milestone. However, where one of the CDG projects was originally in a previously available Tranche, the capacity associated with that CDG project will be moved to the Tranche in which the resulting project is placed. This methodology applies to both the MTC Tranches and the Community Credit Tranches specified in Rule 40.2.4.

PSC NO. 220 ELECTRICITY

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NIAGARA MOHAWK POWER CORPORATION

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## GENERAL INFORMATION

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

## vii. Value Stack Community Credit Component:

The Community Credit Component will only apply to 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 ~~applicable~~ Community Credit Component rate applicable to the project's assigned Community Credit Tranche as filed by the Company in a statement with the PSC, in effect at the time of the project's Eligibility Date. 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 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.

PSC NO. 220 ELECTRICITY

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## GENERAL INFORMATION

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

## 40.2.4 Project's Tranche Determination

CDG project eligibility for placement in a Tranche will be based on the time stamp of the Eligibility Date as specified in 40.2.1.3. If an established Tranche allocation has not yet been exhausted but the next eligible CDG project exceeds the MW allocation remaining in that Tranche, then one of the following will occur as applicable:

- i) if the project's size exceeds the remaining capacity in the currently available Tranche by less than or equal to 1 MW, the CDG project will be eligible to receive the ~~MTC Component compensation~~ in that Tranche for the full capacity of that CDG project. However, the amount of the CDG project's capacity that exceeds the MW capacity remaining in that Tranche will count towards fulfillment of the subsequent Tranche; or
- ii)- if the project's size exceeds the remaining capacity in the currently available Tranche by more than 1 MW then the entire project will be placed in the next available Tranche. At that time the original Tranche should be closed, and the total size of the next Tranche should be increased by the unused size in the original Tranche.

If a CDG project eligible for Tranche assignment cancels its application, the Tranche in which it had been assigned will be reduced and not be re-opened, except in the case of for the Community Credit Tranche 2 which has been created to allow capacity from projects assigned to the MTC Tranches or the original Community Credit Tranche that were subsequently cancelled to be reassigned to the Community Credit Tranche 2 once the original Community Credit Tranche is full. The creation of an additional Community Credit Tranche (i.e., Community Credit Tranche 2) resulted in the original Community Credit Tranche being renamed Community Credit Tranche 1.

Mass market projects that opt in to the VDER Value Stack compensation per Rule 40.2.1.8 will be placed into the Tranche available at the time the project elects to opt into the VDER Value Stack compensation.

A CDG project's qualification for the Community Credit will be based on the Eligibility Date as specified in Rule 40.2.1.3. If a qualifying CDG project is in the MTC Tranches or the Community Credit 1 Tranche is subsequently later cancelled, its capacity will be assigned ~~returned~~ to the pool of Community Credit Tranche 2 available to National Grid the Company, which can continue to expand as long as additional cancellations of projects in the closed tranches occur. the Community Credit Tranche 2 capacity has not been fully exhausted. This practice of reallocating open capacity to the Community Credit Tranche 2 shall only occur until November 1, 2020 or until the Community Credit Tranche 2 is deemed full which will occur when cancellations have slowed such that there are no cancellations for one calendar month.

For any high-capacity-factor resource (i.e., fuel cell) project that receive an adjusted MTC Component or Community Credit ~~Component~~, the Company shall adjust the capacity of that project for its placement in a tranche by multiplying the project capacity by an adjustment factor of 0.16.