

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: JUNE 30, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 33  
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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: 8,643 kW

**Total Alternative 1 Capacity Market Value Cost to Recover: \$ 7,375.45**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>1CP Allocator</u></b>	
SC1	40.99%	\$3,023.20
SC1C	0.81%	\$59.74
SC2ND	2.54%	\$187.34
SC2D	14.46%	\$1,066.49
SC3-Secondary	13.34%	\$983.88
SC3-Primary	5.15%	\$379.84
SC3-Subtransmission/Transmission	1.65%	\$121.69
SC3A-Secondary/Primary	2.98%	\$219.79
SC3A-Sub Transmission	3.75%	\$276.58
SC3A-Transmission	14.31%	\$1,055.43
Streetlighting	0.02%	\$1.48
<b>Total</b>	<b>100.00%</b>	<b>\$7,375.45</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	1,034,732,258	\$0.00000
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,297,524	\$0.00
SC3-Secondary	1,004,640	\$0.00
SC3-Primary	394,417	\$0.00
SC3-Subtransmission/Transmission	153,749	\$0.00
SC3A-Secondary/Primary	274,515	\$0.00
SC3A-Sub Transmission	371,422	\$0.00
SC3A-Transmission	1,234,071	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	12,387,171	\$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: 556 kW

**Total Alternative 2 Capacity Market Value Cost to Recover: \$ 474.37**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>1CP Allocator</b>	
SC1	40.99%	\$194.44
SC1C	0.81%	\$3.84
SC2ND	2.54%	\$12.05
SC2D	14.46%	\$68.59
SC3-Secondary	13.34%	\$63.28
SC3-Primary	5.15%	\$24.43
SC3-Subtransmission/Transmission	1.65%	\$7.83
SC3A-Secondary/Primary	2.98%	\$14.14
SC3A-Sub Transmission	3.75%	\$17.79
SC3A-Transmission	14.31%	\$67.88
Streetlighting	0.02%	\$0.09
<b>Total</b>	<b>100.00%</b>	<b>\$474.37</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	1,034,732,258	\$0.00000
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$0.00000
		<b>\$/kW</b>
SC2D	1,297,524	\$0.00
SC3-Secondary	1,004,640	\$0.00
SC3-Primary	394,417	\$0.00
SC3-Subtransmission/Transmission	153,749	\$0.00
SC3A-Secondary/Primary	274,515	\$0.00
SC3A-Sub Transmission	371,422	\$0.00
SC3A-Transmission	1,234,071	\$0.00
		<b>\$/kWh</b>
Streetlighting	12,387,171	\$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	1,034,732,258	\$0.00000
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$0.00000
		<b>\$/kW</b>
SC2D	1,297,524	\$0.00
SC3-Secondary	1,004,640	\$0.00
SC3-Primary	394,417	\$0.00
SC3-Subtransmission/Transmission	153,749	\$0.00
SC3A-Secondary/Primary	274,515	\$0.00
SC3A-Sub Transmission	371,422	\$0.00
SC3A-Transmission	1,234,071	\$0.00
		<b>\$/kWh</b>
Streetlighting	12,387,171	\$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): \$ 7,849.81

Total VDER Value Stack Capacity Component Paid to Projects: \$ 25,151.28

**Total Capacity Out of Market Value Cost to Recover: \$ 17,301.47**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	54.80%	\$9,481.96
SC1C	0.10%	\$16.86
SC2ND	0.37%	\$63.92
SC2D	8.58%	\$1,483.88
SC3	32.47%	\$5,618.14
SC3A	0.00%	\$0.00
Streetlighting	3.68%	\$636.71
<b>Total</b>	<b>100.00%</b>	<b>\$17,301.47</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	1,034,732,258	\$0.00001
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,297,524	\$0.00
SC3	1,552,805	\$0.00
SC3A	1,880,009	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	12,387,171	\$0.00005

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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: 6,030,632 kWh

**Total Environmental Market Value Cost to Recover: \$ 133,216.66**

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): \$ 133,216.66

Total VDER Value Stack Environmental Component Paid to Projects: \$ 151,127.82

**Total Environmental Out of Market Value Cost to Recover:** **\$ 17,911.16**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	56.47%	\$10,114.27
SC1C	0.04%	\$7.23
SC2ND	7.49%	\$1,342.25
SC2D	7.17%	\$1,284.74
SC3	25.62%	\$4,589.10
SC3A	0.00%	\$0.00
Streetlighting	3.20%	\$573.56
<b>Total</b>	<b>100.00%</b>	<b>\$17,911.16</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	1,034,732,258	\$0.00001
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$0.00002
		<b>\$/kW</b>
SC2D	1,297,524	\$0.00
SC3	1,552,805	\$0.00
SC3A	1,880,009	\$0.00
		<b>\$/kWh</b>
Streetlighting	12,387,171	\$0.00005

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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: \$ 6,847.24

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$3,878.96
SC1C	1.18%	\$80.80
SC2ND	3.30%	\$225.96
SC2D	18.62%	\$1,274.96
SC3-Secondary	18.51%	\$1,267.42
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$50.67
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$68.47
<b>Total</b>	<b>100.00%</b>	<b>\$6,847.24</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	1,034,732,258	\$0.00000
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,297,524	\$0.00
SC3-Secondary	1,004,640	\$0.00
SC3-Primary	394,417	\$0.00
SC3-Subtransmission/Transmission	153,749	\$0.00
SC3A-Secondary/Primary	274,515	\$0.00
SC3A-Sub Transmission	371,422	\$0.00
SC3A-Transmission	1,234,071	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	12,387,171	\$0.00001

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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: \$ -

**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	1,034,732,258	\$0.00000
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$0.00000
		<b>\$/kW</b>
SC2D	1,297,524	\$0.00
SC3-Secondary	1,004,640	\$0.00
SC3-Primary	394,417	\$0.00
SC3-Subtransmission/Transmission	153,749	\$0.00
SC3A-Secondary/Primary	274,515	\$0.00
SC3A-Sub Transmission	371,422	\$0.00
SC3A-Transmission	1,234,071	\$0.00
		<b>\$/kWh</b>
Streetlighting	12,387,171	\$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: \$ 762.36

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$431.88
SC1C	1.18%	\$9.00
SC2ND	3.30%	\$25.16
SC2D	18.62%	\$141.95
SC3-Secondary	18.51%	\$141.11
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$5.64
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$7.62
<b>Total</b>	<b>100.00%</b>	<b>\$762.36</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	1,034,732,258	\$0.00000
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,297,524	\$0.00
SC3-Secondary	1,004,640	\$0.00
SC3-Primary	394,417	\$0.00
SC3-Subtransmission/Transmission	153,749	\$0.00
SC3A-Secondary/Primary	274,515	\$0.00
SC3A-Sub Transmission	371,422	\$0.00
SC3A-Transmission	1,234,071	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	12,387,171	\$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><u>1CP Allocator</u></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><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	1,034,732,258	\$0.00000
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,297,524	\$0.00
SC3-Secondary	1,004,640	\$0.00
SC3-Primary	394,417	\$0.00
SC3-Subtransmission/Transmission	153,749	\$0.00
SC3A-Secondary/Primary	274,515	\$0.00
SC3A-Sub Transmission	371,422	\$0.00
SC3A-Transmission	1,234,071	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	12,387,171	\$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: \$ 40,783.94

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Allocator</u></b>	
SC1	92.87%	\$37,874.08
SC1C	0.00%	\$0.00
SC2ND	7.13%	\$2,909.86
<b>Total</b>	<b>100.00%</b>	<b>\$40,783.94</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	1,034,732,258	\$0.00004
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$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: \$ 63,154.74

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	74.31%	\$46,927.38
SC1C	0.00%	\$0.00
SC2ND	2.12%	\$1,339.69
SC2D	2.15%	\$1,360.76
SC3-Secondary	11.78%	\$7,437.10
SC3-Primary	9.64%	\$6,089.81
SC3-Subtransmission/Transmission	0.00%	\$0.00
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>\$63,154.74</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	1,034,732,258	\$0.00005
SC1C	27,656,175	\$0.00000
SC2ND	59,832,322	\$0.00002
		<b><u>\$/kW</u></b>
SC2D	1,297,524	\$0.00
SC3-Secondary	1,004,640	\$0.01
SC3-Primary	394,417	\$0.02
SC3-Subtransmission/Transmission	153,749	\$0.00
SC3A-Secondary/Primary	274,515	\$0.00
SC3A-Sub Transmission	371,422	\$0.00
SC3A-Transmission	1,234,071	\$0.00