

P.S.C. 220 ELECTRICITY  
 NIAGARA MOHAWK POWER CORPORATION  
 INITIAL EFFECTIVE DATE: MAY 29, 2020

STATEMENT TYPE: VDER-CR  
 WORKPAPERS FOR STATEMENT NO. 32  
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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: 8,897 kW

**Total Alternative 1 Capacity Market Value Cost to Recover: \$ 7,592.19**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>1CP Allocator</u></b>	
SC1	40.99%	\$3,112.04
SC1C	0.81%	\$61.50
SC2ND	2.54%	\$192.84
SC2D	14.46%	\$1,097.83
SC3-Secondary	13.34%	\$1,012.80
SC3-Primary	5.15%	\$391.00
SC3-Subtransmission/Transmission	1.65%	\$125.27
SC3A-Secondary/Primary	2.98%	\$226.25
SC3A-Sub Transmission	3.75%	\$284.71
SC3A-Transmission	14.31%	\$1,086.44
Streetlighting	0.02%	\$1.52
<b>Total</b>	<b>100.00%</b>	<b>\$7,592.19</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	834,508,174	\$0.00000
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,172,737	\$0.00
SC3-Secondary	917,829	\$0.00
SC3-Primary	361,954	\$0.00
SC3-Subtransmission/Transmission	142,130	\$0.00
SC3A-Secondary/Primary	261,919	\$0.00
SC3A-Sub Transmission	353,980	\$0.00
SC3A-Transmission	1,185,916	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	11,679,672	\$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	834,508,174	\$0.00000
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	\$0.00000
		<b>\$/kW</b>
SC2D	1,172,737	\$0.00
SC3-Secondary	917,829	\$0.00
SC3-Primary	361,954	\$0.00
SC3-Subtransmission/Transmission	142,130	\$0.00
SC3A-Secondary/Primary	261,919	\$0.00
SC3A-Sub Transmission	353,980	\$0.00
SC3A-Transmission	1,185,916	\$0.00
		<b>\$/kWh</b>
Streetlighting	11,679,672	\$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	834,508,174	\$0.00000
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	\$0.00000
		<b>\$/kW</b>
SC2D	1,172,737	\$0.00
SC3-Secondary	917,829	\$0.00
SC3-Primary	361,954	\$0.00
SC3-Subtransmission/Transmission	142,130	\$0.00
SC3A-Secondary/Primary	261,919	\$0.00
SC3A-Sub Transmission	353,980	\$0.00
SC3A-Transmission	1,185,916	\$0.00
		<b>\$/kWh</b>
Streetlighting	11,679,672	\$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): \$ 8,066.56

Total VDER Value Stack Capacity Component Paid to Projects: \$ 1,693.80

**Total Capacity Out of Market Value Cost to Recover: \$ (6,372.76)**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	58.05%	-\$3,699.63
SC1C	0.05%	-\$3.32
SC2ND	5.60%	-\$357.15
SC2D	4.90%	-\$311.95
SC3	28.08%	-\$1,789.47
SC3A	0.00%	\$0.00
Streetlighting	3.31%	-\$211.23
<b>Total</b>	<b>100.00%</b>	<b>-\$6,372.76</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	834,508,174	\$0.00000
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	-\$0.00001
		<b><u>\$/kW</u></b>
SC2D	1,172,737	\$0.00
SC3	1,421,913	\$0.00
SC3A	1,801,815	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	11,679,672	-\$0.00002

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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: 5,576,882 kWh

**Total Environmental Market Value Cost to Recover: \$ 123,193.32**

The Environmental Market Value costs will be recovered annually as part of the  
Clean Energy Standard Supply charge annual reconciliation 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): \$ 123,193.32

Total VDER Value Stack Environmental Component Paid to Projects: \$ 140,806.80

**Total Environmental Out of Market Value Cost to Recover:** **\$ 17,613.48**

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	56.64%	\$9,976.36
SC1C	0.06%	\$10.80
SC2ND	5.93%	\$1,043.83
SC2D	4.97%	\$875.74
SC3	28.44%	\$5,008.96
SC3A	0.00%	\$0.00
Streetlighting	3.96%	\$697.79
<b>Total</b>	<b>100.00%</b>	<b>\$17,613.48</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	834,508,174	\$0.00001
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	\$0.00002
		<b>\$/kW</b>
SC2D	1,172,737	\$0.00
SC3	1,421,913	\$0.00
SC3A	1,801,815	\$0.00
		<b>\$/kWh</b>
Streetlighting	11,679,672	\$0.00006

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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: \$ 3,454.58

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$1,957.02
SC1C	1.18%	\$40.76
SC2ND	3.30%	\$114.00
SC2D	18.62%	\$643.24
SC3-Secondary	18.51%	\$639.44
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$25.56
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$34.55
<b>Total</b>	<b>100.00%</b>	<b>\$3,454.58</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b><u>\$/kWh</u></b>
SC1	834,508,174	\$0.00000
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	\$0.00000
		<b><u>\$/kW</u></b>
SC2D	1,172,737	\$0.00
SC3-Secondary	917,829	\$0.00
SC3-Primary	361,954	\$0.00
SC3-Subtransmission/Transmission	142,130	\$0.00
SC3A-Secondary/Primary	261,919	\$0.00
SC3A-Sub Transmission	353,980	\$0.00
SC3A-Transmission	1,185,916	\$0.00
		<b><u>\$/kWh</u></b>
Streetlighting	11,679,672	\$0.00000

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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	834,508,174	\$0.00000
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	\$0.00000
		<b>\$/kW</b>
SC2D	1,172,737	\$0.00
SC3-Secondary	917,829	\$0.00
SC3-Primary	361,954	\$0.00
SC3-Subtransmission/Transmission	142,130	\$0.00
SC3A-Secondary/Primary	261,919	\$0.00
SC3A-Sub Transmission	353,980	\$0.00
SC3A-Transmission	1,185,916	\$0.00
		<b>\$/kWh</b>
Streetlighting	11,679,672	\$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: \$ 17.15

**Secondary/Primary Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>NCP Allocator</b>	
SC1	56.65%	\$9.72
SC1C	1.18%	\$0.20
SC2ND	3.30%	\$0.57
SC2D	18.62%	\$3.19
SC3-Secondary	18.51%	\$3.17
SC3-Primary	0.00%	\$0.00
SC3-Subtransmission/Transmission	0.00%	\$0.00
SC3A-Secondary/Primary	0.74%	\$0.13
SC3A-Sub Transmission	0.00%	\$0.00
SC3A-Transmission	0.00%	\$0.00
Streetlighting	1.00%	\$0.17
<b>Total</b>	<b>100.00%</b>	<b>\$17.15</b>

**Secondary/Primary Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	834,508,174	\$0.00000
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	\$0.00000
		<b>\$/kW</b>
SC2D	1,172,737	\$0.00
SC3-Secondary	917,829	\$0.00
SC3-Primary	361,954	\$0.00
SC3-Subtransmission/Transmission	142,130	\$0.00
SC3A-Secondary/Primary	261,919	\$0.00
SC3A-Sub Transmission	353,980	\$0.00
SC3A-Transmission	1,185,916	\$0.00
		<b>\$/kWh</b>
Streetlighting	11,679,672	\$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	834,508,174	\$0.00000
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	\$0.00000
		<b>\$/kW</b>
SC2D	1,172,737	\$0.00
SC3-Secondary	917,829	\$0.00
SC3-Primary	361,954	\$0.00
SC3-Subtransmission/Transmission	142,130	\$0.00
SC3A-Secondary/Primary	261,919	\$0.00
SC3A-Sub Transmission	353,980	\$0.00
SC3A-Transmission	1,185,916	\$0.00
		<b>\$/kWh</b>
Streetlighting	11,679,672	\$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: \$ 29,246.53

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Allocator</u></b>	
SC1	93.05%	\$27,214.89
SC1C	0.00%	\$0.00
SC2ND	6.95%	\$2,031.64
<b>Total</b>	<b>100.00%</b>	<b>\$29,246.53</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b><u>Forecast</u></b>	<b><u>\$/kWh</u></b>
SC1	834,508,174	\$0.00003
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	\$0.00004

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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: \$ 74,448.42

**Cost Allocation**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Allocator</b>	
SC1	68.29%	\$50,840.48
SC1C	0.00%	\$0.00
SC2ND	1.59%	\$1,180.90
SC2D	1.68%	\$1,253.31
SC3-Secondary	14.54%	\$10,823.02
SC3-Primary	13.90%	\$10,350.71
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>\$74,448.42</b>

**Rate Design by Forecast**

<b>Service Class (with Voltage Delivery Level)</b>	<b>Forecast</b>	<b>\$/kWh</b>
SC1	834,508,174	\$0.00006
SC1C	22,304,588	\$0.00000
SC2ND	53,907,303	\$0.00002
		<b><u>\$/kW</u></b>
SC2D	1,172,737	\$0.00
SC3-Secondary	917,829	\$0.01
SC3-Primary	361,954	\$0.03
SC3-Subtransmission/Transmission	142,130	\$0.00
SC3A-Secondary/Primary	261,919	\$0.00
SC3A-Sub Transmission	353,980	\$0.00
SC3A-Transmission	1,185,916	\$0.00