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GENERAL INFORMATION

COMMUNITY DISTRIBUTED GENERATION ("CDG")

29. In accordance with the orders in Case 15-E-0082 issued July 17, 2015 and October 16, 2015, Rule 29 sets forth the requirements of the Community Distributed Generation ("CDG") Program which consists of a CDG Host facility eligible for net metering which is in conformance with the net metering requirements of PSL 66-j and 66-l. CDG Hosts not meeting the requirements for net metering in PSL 66-j and 66-l, may be eligible for VDER Value Stack compensation under Rule 40 if they meet the eligibility requirements for Tier 1 technologies as defined in Appendix A of the CES Order issued August 1, 2016 in Cases 15-E-0302 and 16-E-0270, and subject to the further requirements described in Rule 40.2.1.1, collectively referred to as "Newly Eligible Technologies." Stand-alone energy storage systems will be eligible under Rule 29 subject to the requirements described in Rule 40.2.1.1.2. The size of the generation must be limited in size consistent with the above statutes and located behind a host meter under either a non-residential demand or non-residential non-demand service classification. The CDG project will consist of a CDG Host and associated CDG Satellites where the CDG Satellites shall own or contract for a portion of the credits in excess of load accumulated at the CDG Host's meter.

Phase 1 of the CDG Program will be in effect from October 26, 2015 through April 30, 2016 and will be available where: (a) the generating equipment is located in an Opportunity Zone as designated by the Company; or (b) a minimum of 20% of the associated CDG Satellites in a CDG project are residential customers enrolled in the Company's low income program which includes the Low Income Discount Program, Low Income Electric Discount Program and Low Income Electric Heating Discount Program

Phase II will commence on May 1, 2016 and will be available to any CDG Host within the Company's entire service territory.

29.1 Application of CDG Host

29.1.1 The CDG Host, by submitting a completed allocation request form to the Company, is certifying that its project meets all the criteria and requirements set forth by the New York State Public Service Commission in its order issued July 17, 2015 and October 16, 2015 in Case 15-E-0082, as may be amended from time to time by any future order(s) in this case.

29.1.2 A CDG Host must be a non-residential customer who owns or operates farm waste, solar, wind, micro-hydroelectric, or fuel cell electric generating facilities; stand-alone energy storage systems (subject to the requirements described in Rule 40.2.1.1.2); or Newly Eligible Technologies, and may be any of the following: a single entity (including the generating facility developer), an ESCo, a municipal entity (e.g., town or village), a for-profit business or a not-for-profit corporation, a limited liability company, a partnership, or some other form of business or civic organization. The CDG Host and associated CDG Satellites must be located within the same NYISO load zone and within the Company's service territory, except for projects being compensated under the VDER Value Stack per Rule 40.2 where there is no interzonal restriction as long as the CDG Host and associated CDG Satellites are within the Company's service territory.

29.1.2.1 A CDG Satellite account must have only one CDG Host account and shall not be a net metered customer, a remote net metered host, satellite account, or take service under SC 7-Standby Service ~~or SC-12-Special Contract Rates, in accordance with their individual contracts~~.

29.1.2.2 If the CDG Host account was previously a remote net metered customer as an energy only account and was grandfathered under the Transition Plan in Cases 14-E-0151/14-E-0422 to receive monetary crediting, conversion to a CDG Host will require that it surrenders its grandfathered status to receive monetary crediting and will be subject to volumetric crediting.

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SERVICE CLASSIFICATION NO. 4 (Continued)

P. The following rules apply to a customer combining SC4 Supplemental Service with the Empire Zone Rider (EZR) or the Excelsior Jobs Program (EJP) and whose total loss-adjusted NYPA demand allocations are greater than its lowest monthly EZR/EJP base period billing demand.

(1) When the customer accepts its NYPA allocation or whenever the Company receives notification from NYPA that the customer's NYPA allocation is changing or whenever the customer qualifies for EZR or EJP, the customer must make an election to choose either:

(a) billing NYPA delivery demand pursuant to the billing methodology in this SC-4; or

(b) limiting the billed NYPA delivery demand to the lesser of the EZR or EJP base period billing demand or the billed NYPA delivery demand pursuant to the billing methodology in this SC-4.

(2) Regardless of the election made in Section 1 above, the customer will receive its NYPA commodity service pursuant to the billing methodology described in this SC-4.

(3) A customer who meets the initial requirements of this Special Provision P may receive additional discounts described in Section 3(a) below, provided the customer demonstrates a financial need as prescribed in Service Classification No.12, Special Contract Rates, in either Sections 4.3.2 and 4.3.3 (Revitalization) or Sections 4.4.2 and 4.4.3 (Relocation).

(a) Eligible customers who have a NYPA allocation and an EJP or EZR will be exempt from SBC established in Rule 41 on both their NYPA allocation and qualifying EJP or EZR load.

(b) To the extent that the financial need demonstrated by the customer is greater than the benefit derived from Section 3 (a), the customer may apply for a Special Contract pursuant to all terms and conditions of Service Classification No. 12.

Q. Customers that would otherwise be eligible to receive credits under the provisions of Rule Nos. 29, 36, 37, and 40, may also have these credits apply to the customer's charges for the Company's deliveries of NYPA power under this S.C. No. 4 according to the following:

(1) If the credits are volumetric, they will be applied first to the delivered kWhs of S.C. No. 4 Supplemental Service, with the remaining available kWh credits apportioned first to the largest charge amount of all the NYPA contract delivery kWh with the remainder credited to the next largest amount, and so forth, for the delivery kWh -associated with the Niagara Power Delivery Service, HLF Delivery Service or Preservation Power Delivery Service.

~~(1)~~(2) Credits will not be applied to the portion of a customer's load provided by NYPA under any of the economic development programs provided in Rule 34.

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SERVICE CLASSIFICATION NO. 12 (Continued)

6. INDIVIDUALLY NEGOTIATED RATES (Continued)

6.2.5 **Payment of Undisputed Bills**: Customer shall be current in its payment of all undisputed bills~~,~~ and may be required to furnish a security deposit in the amount that the Company would otherwise be authorized to require under Commission rules as a precondition to receiving any discounted service by the Company. Customers who have executed a deferred payment agreement with the Company consistent with Rule 26.9 - DPA for Non-Residential Customers of this Tariff~~,~~ and are in full compliance with the requirements of this DPA shall be eligible to receive service under this Section 6 of S.C. No. 12.

6.2.6 **Resales Prohibited**: Customer is prohibited from reselling or otherwise furnishing any of the electricity provided pursuant to a Customer Service Agreement authorized by this Service Classification No. 12 to any third party, regardless of whether such sale or furnishing would otherwise be authorized by Rule 8 of this Tariff.

6.2.7 **NYPA Allocations:** The Company may, at its option, agree to permit Qualifying Customers receiving a portion of their requirements from NYPA to receive any electricity supplied to it by NYPA on a "first through the meter" basis, provided that the Company shall consider the benefit conferred on the customer by such an option in determining the rates it is willing to offer to the customer.

6.2.8 **Net Metering Credits on NYPA Load**: Customers that would otherwise be eligible to receive credits under the provisions of Rule Nos. 29, 36, 37 and 40, and that receive a portion of their requirements from NYPA delivered by the Company on a "first though the meter" basis under this S.C. No. 12, without any accompanying discount to any of the otherwise applicable service class charges billed under the S.C. No. 12 contract,("S.C. No. 12 Supplemental Charges") may have these credits apply to the S.C. No. 12 Supplemental Charges and the customer's charges for the Company's deliveries of Niagara Power Delivery Service, HLF Delivery Service, or Preservation Power Delivery Service according to the following:

(1) If the credits are volumetric, they will be applied first to the delivered kWhs of S.C. No 12 billed at the otherwise applicable service class rates with the remaining available kWh credits apportioned first to the largest charge amount of all the NYPA contract delivery kWh, with the remainder credited to the next largest amount, and so forth for the delivered kWh associated with the Niagara Power Delivery Service, HLF Delivery Service or Preservation Power Delivery Service.

~~(1)~~(2) Credits will not be applied to the portion of a customer's load provided by NYPA under any of the economic development programs provided in Rule 34.

6.2.~~8~~9 **Increase in Rates and Charges**: The rates and charges under Section 6 of this Service Classification No. 12 will be increased by a tax factor pursuant to Rule 32.