

PSC NO: 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: APRIL 27, 2009

LEAF: 440
REVISION: 0
SUPERSEDING REVISION:

SERVICE CLASSIFICATION NO. 7 (CONTINUED)

L. Limited Waiver of Competitive Transition Charge for Certain Combined Heat and Power Distributed Generation

1. Applicability:

Customers who:

- i) are not Wholesale Generators, and
- ii) have installed a combined heat and power distributed generation project on or after July 1, 2002, and
- iii) meet the qualifying criteria provided below,

will have demonstrated to the Company's satisfaction that their installed distributed generation located at the customer's Premise meets or exceeds an overall fuel efficiency standard of sixty percent (60%) with respect to the combined heat and power distributed generation, as described in this Special Provision L. Qualifying customers are eligible for a one hundred percent (100%) waiver to the otherwise applicable Competitive Transition Charge ("CTC") applicable to the Customer's Standby Contract Demand Charge under this Service Classification No. 7, as further provided in this Special Provision L.

2. Qualifying Criteria:

- 2.1 The nameplate capacity of customer's installed combined heat and power distributed generation must be in excess of 10 kW and greater than fifteen percent (15%) of customer's annual peak demand requirements as shown on Form G, and if multiple generators are located at a single Premise, this criteria shall be met based upon the sum of all the generators at the customer's Premise, excluding any emergency generators; and
- 2.2 With respect to customers who apply for and receive New York State Energy Research and Development Authority's ("NYSERDA's") Distributed Generation/Combined Heat and Power cost-share and/or incentives, these customers will submit a copy of their NYSERDA proposal or incentive application and the corresponding NYSERDA commitment/approval letter to the Company, and this documentation must demonstrate that their distributed generation project has an annual overall efficiency of not less than sixty percent (60%) based on the higher heating value ("HHV") of the fuel input, subject to an independent review as provided below; or
- 2.3 With respect to customers who have not and will not be applying for NYSERDA's Distributed Generation/Combined Heat and Power cost-share and/or incentives, these customers will complete and submit to the Company the latest form of NYSERDA Distributed Generation/Combined Heat and Power cost-share and/or incentive application and such application shall be certified by a licensed professional engineer in the State of New York. The submittal by the customer and certification by the licensed professional engineer must be satisfactory to the Company and demonstrate that the distributed generation project has an annual overall efficiency of not less than sixty percent (60%) based on the HHV of the fuel input, subject to an independent review as provided below.
- 2.4 The Company may require an independent review and certification of the customer's submission to the Company that is required above by a licensed professional engineer in New York State that is not affiliated or associated with the customer in any manner, the cost and expense of which shall be the responsibility of the customer.

Issued by Thomas B. King, President, Syracuse, NY