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PSC No: 120 - Electricity

New York State Electric & Gas Corporation

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SERVICE CLASSIFICATION NO. 11 (Continued)

OPTIONAL STANDBY SERVICE RATE PHASE IN IS APPLICABLE TO: (Cont'd.)

2. A Designated Technology Customer is defined as:

- a) A customer operating OSG that exclusively uses one or more of the following technologies and/or fuels for producing electricity: fuel cell; wind; solar thermal; photovoltaics ("PV"), sustainable managed biomass; tidal; geothermal; or methane waste, or
- b) Uses small, efficient types of combined heat and power ("CHP") generation that do not exceed 1 MW of capacity, and conforms with the following criteria:
 - i. Sized to serve no more than 100% of the Customer's maximum potential demand.
 - ii. Annual overall efficiency should not be less than 60% based on the higher heating value (HHV) of the fuel input;
 - iii. The usable thermal energy component should absorb a minimum of 20% of the CHP facility's total usable annual energy output;
 - iv. The size limits shall be determined by aggregating the nameplate ratings of the generation units, installed at its location, excluding emergency generation units used only during a utility distribution system failure or in response to the NYISO Emergency Demand Response Program:
 - v. An eligible CHP facility shall demonstrate to the utility that its generation installation meets an environmental standard of no more than 4.4 lbs./MWh of NO_x emissions, based on its electrical and mechanical output or its rated capacity, or as updated by the Department of Environmental Conservation (DEC);
 - vi. Customers shall comply with the above criteria and;
 - 1. Monitor and record efficiency data, which shall include the annual quantity of fuel fired, the annual quantity of generated electricity, and the annual quantity of the thermal heat recovered in the heat recovery process.
 - 2. Have records available for utility inspection,
 - 3. Retain the records for a 3-year period.

 $Is sued in compliance with orders in Case No.\ 02-E-0779\ dated\ 07/30/03\ and\ 01/23/04,\ and\ Case\ No.\ 03-E-1552\ dated\ 11/28/03.$

ISSUED BY: James A. Lahtinen, Vice President Rates and Regulatory Economics, Binghamton, New York