

PSC NO. 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: FEBRUARY 1, 2020
STAMPS: Issued in Compliance with Order in Case 15-E-0751 issued December 12, 2019.

LEAF: 220.7.3
REVISION: 2
SUPERSEDING REVISION: 1

GENERAL INFORMATION

40. VALUE OF DISTRIBUTED ENERGY RESOURCES (VDER) (Continued)

40.2.4 Project's Tranche Determination

CDG project eligibility for placement in a Tranche will be based on the time stamp of the Eligibility Date as specified in 40.2.1.3. If an established Tranche allocation has not yet been exhausted but the next eligible CDG project exceeds the MW allocation remaining in that Tranche, then one of the following will occur as applicable:

- i) if the project's size exceeds the remaining capacity in the current Tranche by less than or equal to 1 MW, the CDG project will be eligible to receive the MTC Component in that Tranche for the full capacity of that CDG project. However, the amount of the CDG project's capacity that exceeds the MW capacity remaining in that Tranche will count towards fulfillment of the subsequent Tranche; or
- ii) the project's size exceeds the remaining capacity in the current Tranche by more than 1 MW then the entire project will be placed in the next Tranche. At that time the original Tranche should be closed, and the total size of the next Tranche should be increased by the unused size in the original Tranche.

If a CDG project eligible for Tranche assignment cancels its application, the Tranche in which it had been assigned will be reduced and not be re-opened, except for the Community Credit Tranche.

Mass market projects that opt in to the VDER Value Stack compensation per Rule 40.2.1.8 will be placed into the Tranche available at the time the project elects to opt into the VDER Value Stack compensation.

A CDG project's qualification for the Community Credit will be based on the Eligibility Date as specified in Rule 40.2.1.3. If a qualifying CDG project is later cancelled, its capacity will be returned to the pool of Community Credit available to National Grid, as long as the Community Credit Tranche capacity has not been fully exhausted.

For any high-capacity-factor resource (*i.e.*, fuel cell) project that receive an adjusted MTC Component or Community Credit, the Company shall adjust the capacity of that project for its placement in a tranche by multiplying the project capacity by an adjustment factor of 0.16.

Issued by John Bruckner, President, Syracuse, NY