

PSC NO: 15 ELECTRICITY

LEAF: 163.9.10

COMPANY: CENTRAL HUDSON GAS &amp; ELECTRIC CORPORATION

REVISION: 4

INITIAL EFFECTIVE DATE: 06/01/19

SUPERSEDING REVISION: 3

Issued in Compliance with Order in Case 15-E-0751 dated April 18, 2019

**48. Value of Distributed Energy Resources (VDER) (Cont'd)****B. Value Stack (Cont'd)****Value Stack Components: (Cont'd)****4. Market Transition Credit (MTC) Component**

Mass market customers, as defined in General Information Section 48.A, opting in to Value Stack Compensation under this Section and qualifying CDG projects with mass market subscribers that have received a Tranche assignment on or before July 26, 2018, will receive a MTC applied to the mass market allocation of their net energy export and will receive compensation under Phase One Value Stack and may not opt-in to Phase Two Value Stack. Where applicable, the MTC rate per kWh applied will be determined by Tranche assignment and service designation (residential or small commercial, non-demand) at the time the Customer qualifies and will be fixed over a project's compensation term. The MTC will not be available to customers with electric generating equipment ineligible for NEM under Public Service Law §66-j and §66-l or to any projects receiving compensation under Phase Two Value Stack.

The MTC rates will be published on the VDER Statement as detailed below.

In the case of an active Tranche wherein the next eligible project exceeds the MW allocation remaining in the Tranche, the project will be eligible to receive the MTC of that Tranche for the eligible capacity of that project. However, if the amount of the project's eligible capacity exceeds the MW capacity remaining in the Tranche by more than 1 MW, the entire project will be placed in the subsequent Tranche. At this time, the original Tranche will be closed and the total MW allocation of the subsequent Tranche will be increased by the unused MW capacity in the original Tranche.

CDG projects that qualify on and after January 18, 2018, will be assigned to Tranche four until it is filled. CDG projects that qualify on or before July 26, 2018, but after the capacity in Tranche four is exhausted and therefore are not assigned a Tranche position, may make a one-time irrevocable opt-in to receive compensation under Phase Two Value Stack.

**5. Demand Reduction Value ("DRV") Component**

**DRV – Phase One Value Stack:** - Customer-generators with projects that qualify on or before July 26, 2018, that are not eligible to receive a MTC, including the non-mass market portion of a CDG project, will be eligible to receive a DRV credit in the form of a monthly lump sum based on the customer-generator's average hourly output in the ten peak Central Hudson system send out hours in the previous calendar year multiplied by the DRV rate per kW-month in effect. If the customer-generator is a CDG Host Account, the DRV will be applied to the percentage of hourly output representing non-mass market subscribers. In a project's first year of operation or when the appropriate metering was not in place to measure the customer-generator's net injection during the previous calendar year, DRV compensation will be based on an average generation profile for a project of its technology and rated capacity. The initial DRV rate applicable to a customer-generator will be determined at the time the project qualifies, and will be fixed for a period of three years from the customer-generator's in-service date. At the end of the initial three year period, the DRV rate will be reset and fixed for subsequent three year periods based on the then applicable rate published on the VDER Statement.

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