

PSC No: 19 - Electricity
 Rochester Gas and Electric Corporation
 Initial Effective Date: June 1, 2019
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GENERAL INFORMATION

26. Value of Distributed Energy Resources ("VDER") (Cont'd)

B. Value Stack: (Cont'd)

6. The Value Stack Components: (Cont'd)

iii. Environmental Component:

1. A Facility opting into the Value Stack shall receive the Environmental Component compensation for renewable attributes except for those that opt to receive compensation through the Renewable Portfolio Standard, including the Maintenance Tier, or through Tier 2 of the Clean Energy Standard.
 - a. Eligible CES Tier 1 projects built before 1/01/2015, shall not be eligible for Environmental Component compensation.
2. The compensation for the Environmental Component shall be fixed at the time the customer-generator pays 25% of the interconnection cost, or where no such payment is required, at the time the interconnection agreement is signed and calculated by multiplying the total net export generation for the billing period by the customer-generator onto the Company's system by the Environmental Component rate. The Environmental Component rate shall be the higher of:
 - a. the Tier 1 Renewable Energy Credit ("REC") price per kWh generated as published by NYSEERDA; or
 - b. the Social Cost of Carbon, net of the expected Regional Greenhouse Gas Initiative allowance values, as calculated by NYS Department of Public Service Staff.
3. A customer receiving compensation for the Environmental Component shall transfer ownership of the RECs to the Company.
4. The Environmental Component shall be fixed for the term of compensation for the Facility. The Environmental Component shall be provided on the VDER-Cred Statement.

iv. Demand Reduction Value ("DRV") Component:

- a. A credit shall be provided for the Facility's potential contribution to the distribution system.
- b. For a customer that has met the eligibility requirements of Rule 26.B.1. and 26.B.2. above prior to July 27, 2018, DRV Component compensation shall not be provided for the portion of the project that receives a Market Transition Credit ("MTC") as described in Rule 26.B.6.vi.
 - i. The DRV Component shall be fixed at the time the customer-generator pays 25% of the interconnection cost, or where no such payment is required, at the time the interconnection agreement is signed and then fixed for a period of ten years from a project's date of interconnection. The DRV may be adjusted every three years from a project's date if interconnection for the rest of the project's term of compensation pursuant to this Rule.
- c. A customer meeting the eligibility requirements of Rule 26.B.1. and 26.B.2. on or after July 27, 2018, the DRV credit shall be applied to all net energy exported between Hour Beginning 2:00 PM and Hour Beginning 6:00 PM inclusively on non-holiday weekdays from June 24 to September 15. The credit per kwh will be determined by multiplying the \$/kW-year values established by the most recent Commission-approved marginal cost study by 10 years and dividing the result by the total number of hours between Hour Beginning 2:00 PM and Hour Beginning 6:00 PM inclusively on non-holiday weekdays from June 24 to September 15 for the previous 10 year period.
- d. As provided in Rule 4.S., Commercial System Relief Program ("CSRP"), a customer may make a one-time irrevocable election to participate in the CSRP instead of receiving DRV and LSRV compensation, regardless of when the project qualified for Value Stack compensation.
- e. The DRV Component shall be set forth on the VDER-Cred Statement.

ISSUED BY: Joseph J. Syta, Vice President, Controllor and Treasurer, Rochester, New York