PSC No: 19 - Electricity Rochester Gas and Electric Corporation Initial Effective Date: June 1, 2019 Issued in compliance with Order in Case 15-E-0751, dated April 18, 2019. Leaf No. 160.39.21.3.1 Revision: 0 Superseding Revision:

GENERAL INFORMATION

- 26. Value of Distributed Energy Resources ("VDER") (Cont'd)
 - B. Value Stack: (Cont'd)
 - 6. The Value Stack Components: (Cont'd)
 - ii. Value Stack Capacity Component (Cont'd)

vi. Alternatives for Capacity Compensation (Cont'd)

- b. Alternative Two: (Cont'd)
 - ii. A customer meeting the eligibility requirements of Rule 26.B.1. and 26.B.2. on or after July 27, 2018, the capacity credit shall be the sum of the 12 monthly NYISO \$/kW-month auction price adjusted for the NYISO UCAP Effective Percentage and the NYISO Demand Curve Adder percentage for the months that make up the previous NYISO Capacity Year (May through April) divided by the 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. That number of hours will be either 240 or 245 depending on the year. The resulting credit per kwh will be multiplied by the net energy exported adjusted for the appropriate energy losses for the customer's service class during the hours between Hour Beginning 2:00 PM and Hour Beginning 5:00 PM inclusively on non-holiday weekdays from June 24 to September 15.
- c. Alternative Three: shall be equivalent to the customer-generator's service classification capacity cost and shall be calculated by multiplying the customer-generator's net energy export during the New York Control Area peak of the previous calendar year by the customer's capacity component based on their Facility's net export generation.
- vii. The Capacity Component shall be set forth on the VDER-Cred Statement.