

PSC No: 19 - Electricity
Rochester Gas and Electric Corporation
Initial Effective Date: May 1, 2019
Issued in compliance with Order in Case Nos. 15-E-0751 and 15-E-0082, dated September 12, 2018.

Leaf No. 160.39.21.2
Revision: 3
Superseding Revision: 2

GENERAL INFORMATION

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

B. Value Stack: (Cont'd)

2. Applicable To:

The Value Stack shall be applicable to a customer interconnecting a Facility that is:

- (a) not eligible for Grandfathered Net Metering as set forth in Rule 28 for Remote Net Metering; or
- (b) is not eligible for Phase One NEM as set forth in Rule 26.A; or
- (c) has made a one-time irrevocable election to opt-in to the Value Stack.

3. Definitions:

- a. "Mass Market Customer" means a customer billed pursuant to a residential service classification or a small commercial customer that is not billed based on demand and whose electric generating equipment supplies energy to a single account behind the same meter as the generating equipment.
- b. "Net injection" or "Net hourly injection" is the amount of excess energy produced by a customer's electric generating equipment beyond the customer's usage that is fed back to the Company's system for a customer served under the Value Stack Tariff.

4. Compensation:

The Company shall calculate the credit by multiplying the Value Stack Components, as applicable, by the net export net hourly injections to determine the total value of the credit. The credit values shall be set forth on the VDER-Cred Statement and filed on not less than one days' notice.

5. Cost Recovery:

The Company shall recover the costs for the credits paid to customers for each of the Value Stack Components pursuant to Rule 12.B.1, Transition Charge (Non-Bypassable Charge or ["NBC"]) and the Supply Adjustment Charge pursuant to Rule 12.C. Commodity Charge. The cost values shall be set forth on the VDER CR Statement and filed on not less than one days' notice.

6. The Value Stack Components:

i. Value Stack Energy Component

The compensation for energy under this provision shall be calculated based on the Facility's hourly metered net generation and the hourly energy price. The hourly energy price is the New York Independent System Operator (NYISO) Day-Ahead Market (DAM) Location Based Marginal Price (LBMP) for the Zone in which the Facility is electrically connected, adjusted for system losses. The DAM LBMP prices shall be the initial published DAM LBMP prices acquired by the Company. The credit for the Facility shall not be recalculated if such prices are modified by the NYISO at a later date.

ii. Value Stack Capacity Component

- i. The capacity component is determined from the NYISO's monthly and spot capacity auctions for the capacity zone in which the customer-generator is electrically connected.
- ii. A customer-generator with intermittent generation (i.e., solar or wind electric generating equipment) shall select from the following Alternatives in Section 5. below for calculating the compensation of the Value Stack Capacity Component ("Capacity Compensation"). If no selection is made, the Capacity Compensation shall default to Alternative One. A customer-generator with dispatchable generation (i.e., all other electric generating equipment served under this Rule) shall be required to receive Capacity Compensation under Alternative Three.
- iii. A customer-generator with an eligible CES Tier 1 technology, as provided in 26.B.1.a.iii, shall be required to receive capacity compensation under Alternative Three.

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