

PSC NO. 220 ELECTRICITY
NIAGARA MOHAWK POWER CORPORATION
INITIAL EFFECTIVE DATE: OCTOBER 1, 2020
STAMPS: Issued in Compliance with Order in Case 19-M-0463 issued December 12, 2019.

LEAF: 220.3
REVISION: 2
SUPERSEDING REVISION: 1

GENERAL INFORMATION

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

- c. Alternative 3 – The Value Stack Capacity Component compensation will be the product of: i) the project's net kW injection during the hour of the New York Control Area ("NYCA") peak in the previous year, and ii) the effective Alternative 3 Value Stack Capacity rate. The Alternative 3 Value Stack Capacity rate will be determined as the forecasted LBMCP (\$/kW-mo.) rate times the sum of one plus the Unforced Capacity Requirement of the NYISO.

A Customer-Generator with an intermittent technology is eligible to elect Alternative 3 and must make such election by May 1 to be eligible to receive the rate beginning June 1 of that year. A Customer-Generator with intermittent technology electing Alternative 3 after May 1 will be compensated under Alternative 1 until April 30 of the following calendar year.

A request for a change in Value Stack Capacity Component compensation submitted by a Customer-Generator with intermittent generation is subject to the following limitations:

- i. A project compensated under Alternative 1 may switch to compensation under Alternative 2 or to Alternative 3;
- ii. A project compensated under Alternative 2 may switch to Alternative 3;
- iii. A project compensated under Alternative 2 cannot switch to Alternative 1; and
- iv. A project compensated under Alternative 3 cannot switch to Alternative 1 or Alternative 2.

For CDG projects participating in the CDG Net Crediting Program, the applicable Value Stack Capacity Component calculated above will be included in the calculation of the Value Stack Credits that will apply to CDG Satellites as specified in Rule 29.4.

For CDG projects not participating in the CDG Net Crediting Program, as specified in Rule 29.4, the Value Stack Capacity Component will be determined for each satellite by multiplying the applicable capacity components calculated in 40.2.3.1 ii. a, b, or c above by the satellite's allocation percentage in effect for the billing period as provided by the CDG project sponsor. The Value Stack Capacity Component associated with any Unallocated Satellite Percentage will be banked for later distribution by the CDG project sponsor as specified in Rule 40.2.5.