

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: 220.5
REVISION: 2
SUPERSEDING REVISION:1

GENERAL INFORMATION

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

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

Projects Eligible for Value Stack on or before July 26, 2018:

The Demand Reduction Value ("DRV") Component will be calculated by multiplying: i) the average of the project's net kW injections for each of the Company's ten (10) highest peak hours during the preceding calendar year, by ii) the project's applicable DRV Component rate (\$/kW-mo.) in effect during the billing period. If an interval meter was not in service for the project at the time of the Company's ten (10) highest peak hours during the preceding calendar year, then the Company will estimate the project's net injections for those hours.

The DRV Component rate will be fixed for the project for three (3) years from the interconnection date, using the DRV Component rate established at the time of the project's Eligibility Date. The project's DRV rate will be adjusted by the Company after three (3) years from the interconnection date to the DRV in effect at that time.

The DRV Component is not applicable to customers who receive the Value Stack MTC Component, which include CDG satellites that are mass market customers and mass market customers who opt into the Value Stack per Rule 40.2.1.8.

Projects may elect to participation in the Company's Commercial System Relief Program ("CSRP") as an alternative to DRV and LSRV compensation. This is a one-time, irrevocable decision that may be made at any point during a project's Value Stack compensation term, in accordance with Rule 62.1. Customer-Generators that chose this election, shall not receive DRV or LSRV compensation for the remainder of their project term.

For CDG projects participating in the CDG Net Crediting Program, the DRV Component calculated above will only apply to non-mass market satellites and 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 DRV Component will only apply to non-mass market satellites and will be determined for each non-mass market satellite by multiplying the applicable DRV Component rate calculated above by the satellite's allocation percentage in effect for the billing period as provided by the CDG project sponsor. The DRV 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.