

PSC NO: 220 ELECTRICITY

LEAF: 219.2

NIAGARA MOHAWK POWER CORPORATION

REVISION: 0

INITIAL EFFECTIVE DATE: SEPTEMBER 17, 2021

SUPERSEDING REVISION:

STAMPS: Issued in Compliance with Order in Case 15-E-0751 issued August 13, 2021.

GENERAL INFORMATION

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

40.1.8.2 Permitted to elect service under SC1 VTOU rate option once per year on the selected anniversary date. Customer-Generators that elect this option will be subject to the following: Net energy provided to the Company will be applied in proportion to the usage in each time period and converted to the equivalent monetary value at the per-kWh rate applicable to the corresponding time period of the Customer-Generator's Service Classification. The monetary credit will be applied towards any outstanding electric charges, excluding the Customer Benefit Contribution Surcharge, in the billing period and any excess monetary credit will carry forward to the next billing period in the appropriate time period.

40.1.8.3 Permitted to elect service under Service Classification No. 7 ("SC-7") as a one-time, irrevocable election, when such opt-in is available to the Customer-Generator's otherwise applicable parent service class under SC-7, but the Customer-Generator will no longer be eligible for Phase One NEM thereafter. At the time of such election, the Customer-Generator will receive compensation under Rule 40.2 – Value Stack.

40.1.8.4 Permitted to opt-into the Value Stack compensation under Rule 40.2. Customer-Generators classified as mass-market, as defined in Rule 36.1.9, that opt-into the Value Stack will continue to be subject to the CBC Charge. The CBC Charge cannot be offset by any monetary Value Stack credits on the Customer-Generator's account.

40.1.9 Mass market on-site projects subject to Phase One NEM compensation will be permitted to pair on-site energy storage with the eligible generating equipment under PSL Sections 66-j and 66-l and remain eligible under Phase One NEM. However, customers that pair energy storage with a RNM, large on-site, or CDG project will be required to receive compensation based on the VDER Value Stack tariff.

40.1.10 The compensation methodology should be determined at the time that a project pays 25% of its interconnection costs or at the time the Standard Interconnection Contract is executed if no such payment is required. However, projects electing compensation under Phase One NEM will be provided a one-time, irrevocable opt in to the VDER Value Stack tariff. Changes in project ownership, as well as subscription changes for CDG projects, are not a basis for seeking a change in a project's compensation methodology.

40.1.11 Once the compensation term under Phase One NEM ends, projects still in operation and injecting energy into the Company's electric system will be compensated under the tariff then in effect.

40.1.12 Projects compensated under Phase One NEM are ineligible to participate in the Company's Term-DLM Program or Auto-DLM Program.