

PSC No: 120 - Electricity
 New York State Electric & Gas Corporation
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GENERAL INFORMATION

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

B. Value Stack:

1. Eligibility (Cont'd):

- e. Expansion or Consolidation Projects Under Development
 Interconnection applications for new projects sized between 2 MW and 5 MW, proposals to increase the capacity of existing projects, and proposals to increase the capacity of projects currently in the interconnection queue may be submitted to the Company. If Tranche limits are exceeded, Projects currently in the interconnection queue may not be consolidated until further consideration and action on proposed SIR changes has been taken by the Commission.
- f. A customer taking service pursuant to this Rule shall be required to install metering equipment capable of recording hourly net consumption and net injections.
- g. A DER Provider shall comply with the requirements set forth in the UBP-DER Addendum.

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 the Remote Net Metering Rule 42;
or
- (b) is not eligible for Phase One NEM as set forth in Rule 40.A; or
- (c) has made a one-time irrevocable election to opt-in to the Value Stack; or
- (d) participating in the Remote Crediting Program as described in Rule 50.

3. Definitions:

- a. "Mass Market Customer": 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.
- c. "Renewable energy systems": systems that generate electricity or thermal energy through use of the following technologies: solar thermal, photovoltaics, on land and offshore wind, hydroelectric, geothermal electric, geothermal ground source heat, tidal energy, wave energy, ocean thermal, and fuel cells which do not utilize a fossil fuel resource in the process of generating electricity.

4. Compensation:

- a. 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.
- b. Projects that qualified for Value Stack compensation before July 27, 2018, excluding Community DG projects and any projects receiving the MTC Component, are allowed a one-time, irrevocable election to receive compensation for the Capacity Component, DRV Component, and LSRV Component (if applicable), that is applicable to projects that qualified on or after July 27, 2018. This election must be for all components applicable to the project.
- c. 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 25.B.1, Transition Charge and the Supply Adjustment Charge pursuant to Rule 25.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:

a. 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.