

PSC No: 120 - Electricity  
New York State Electric & Gas Corporation  
Initial Effective Date: May 1, 2021  
Issued in compliance with Order in Case Nos. 15-E-0751 and 14-E-0151, dated April 15, 2021.

Leaf No. 117.46.26  
Revision: 7  
Superseding Revision: 6

#### GENERAL INFORMATION

#### 40. Value of Distributed Energy Resources ("VDER")

##### A. Phase One Net Energy Metering ("NEM")

###### 1. Eligibility

- a. Any customer, residential or non-residential, who owns or operates electric generating equipment ("Facility"), as defined in Public Service Law ("PSL") §66-j, limited in size in conformance with the statute for each facility type and customer type that generates electric energy. A customer may include energy storage equipment when submitting an application for net metering pursuant to this Rule.
  - i. To qualify for net metering, the Customer Generator must comply with the requirements of the generating size limits (solar generating equipment up to 2 MW generation capacity limit) by complying with the following criteria:
    - 1) Each project up to the respective generating size limit must be separately metered and separately interconnected to the utility grid.
    - 2) Each project must be located on a separate site which can be accomplished by a project having a separate deed or a unique Section-Block-Lot (SBL), a separate lease, and a separate metes and bounds description recorded via either a deed or separate memorandum of lease uniquely identifying each project.
    - 3) Each project must operate independently of other units.
- b. A customer taking service pursuant to Rule Nos. 22, 26, 27, 29, 30, or 31 may opt to take service under this Rule. Such election shall be a one-time election and shall be irrevocable.
- c. A DER Provider shall comply with the requirements set forth in the UBP-DER Addendum.

###### 2. Available To

- a. Phase One NEM shall be available to a customer with a project interconnected on or after March 10, 2017 and to projects for which Standard Interconnection Requirement Step 4 (for projects 50kW or less) or Step 8 (for projects greater than 50kW), as applicable, was not completed by March 9, 2017 as follows:
  - i. Mass market on-site projects, defined as projects located behind the meter of a residential or small commercial customer that is not billed based on demand, that are not used to offset consumption at any other site and interconnected before the earlier of January 1, 2020, or a Commission order directing modification. Should a new compensation methodology not be in place by January 1, 2020, projects placed into service after that date would receive Phase One NEM compensation only until the new compensation methodology is implemented and shall then be transferred to the new compensation methodology;
  - ii. Large on-site projects, defined as projects located behind the meter of a non-residential customer that is billed based on demand or subject to the provisions of the Company's Hourly Pricing Provision, that are not used to offset consumption at any other site for which 25% of interconnection costs have been paid, or a Standard Interconnection Contract has been executed if no such payment is required, on or before July 17, 2017;
  - iii. A project eligible for Remote Net Metering pursuant to the Special Provisions within Rules 22, 27, 29, and 31 for which 25% of interconnection costs have been paid, or a Standard Interconnection Contract has been executed if no such payment is required, on or before July 17, 2017; and
  - iv. A project eligible for Community DG pursuant to Rule 37 for which 25% of interconnection costs have been paid, or a Standard Interconnection Contract has been executed if no such payment is required, on or before July 17, 2017, up to a total rated generating capacity of 28 MW. In the event that capacity remains below this threshold which would accommodate a portion of an eligible project, the provisions of this Rule shall be available to the entire project.
  - v. A project that has a rated capacity of 750 kW or lower; is sited at the same location and behind the same meter as the electric customer whose usage the project is designed to off-set; and has an estimated annual output less than or equal to that customer's historic annual usage in kWh. The project shall be interconnected before the earlier of January 1, 2020, or a Commission Order directing modification. Should a new compensation methodology not be in place by January 1, 2020, projects placed into service after that date would receive Phase One NEM compensation only until the new compensation methodology is implemented and shall then be transferred to the new compensation methodology;
- b. A customer that meets the requirements of 2.a.i or 2.a.ii above shall be permitted to include energy storage technology with their Facility and remain eligible for Phase One NEM as described therein.
- c. A change in ownership shall not affect the compensation term.