

P.S.C. NO. 3 ELECTRICITY**ORANGE AND ROCKLAND UTILITIES, INC.**

INITIAL EFFECTIVE DATE: July 1, 2021

SUPERSEDING REVISION:

LEAF: 252.2

REVISION: 4

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Issued in compliance with Order in Case 18-E-0130 dated 4/16/2021.

GENERAL INFORMATION**25. ENERGY COST ADJUSTMENT ("ECA") (Continued)****(G) Energy Storage Cost Recovery (Continued)**

Net Annual Wholesale Market Revenues will be the annual wholesale market revenues (avoided wholesale electric market costs or direct revenue from the NYISO) from the energy storage asset, that are greater than the Energy Storage Marketing Participation Costs on an annual basis. Energy Storage Marketing Participation Costs include, but are not limited to, the following costs if paid by the Company: (1) energy charging costs; (2) NYISO participation fees; and (3) any incremental costs related to bidding energy storage resources into the NYISO markets.

For the purpose of energy storage cost recovery, the Company will establish the following service classification groups:

- Group 1: SC Nos. 1 and 19
- Group 2: SC No. 2 Secondary Non-Demand Billed
- Group 3: SC Nos. 2 Secondary Demand Billed, 20, and 25 – Rate I
- Group 4: SC Nos. 2 Primary, 3, 21, and 25 – Rate II
- Group 5: SC Nos. 9, 22, and 25 – Rates III and IV
- Group 6: SC Nos. 4, 5, 6, and 16

Energy storage costs will be allocated to service classification groups based on the transmission demand (D01) allocator specific to each service classification group. Amortized costs will be collected on a per kWh basis for non-demand billed service classification groups and on a per kW basis for demand-billed service classification groups. For standby customers, the costs will be collected on a per kW of Contract Demand basis.

(H) Temporary Surcharge

Customers shall be assessed a Temporary Surcharge to recover a portion of the Company's Rate Year 3 delivery revenue requirement as adopted by the Commission in Case No. 18-E-0067. The temporary surcharge shall be designed to recover \$5,685,000 (\$5,592,051 net of revenue taxes) and shall be assessed for service rendered from January 1, 2021 through December 31, 2021.

Issued By: Robert Sanchez, President, Pearl River, New York